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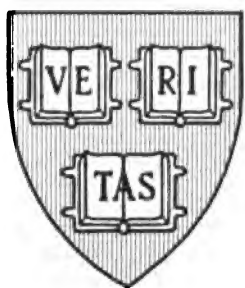
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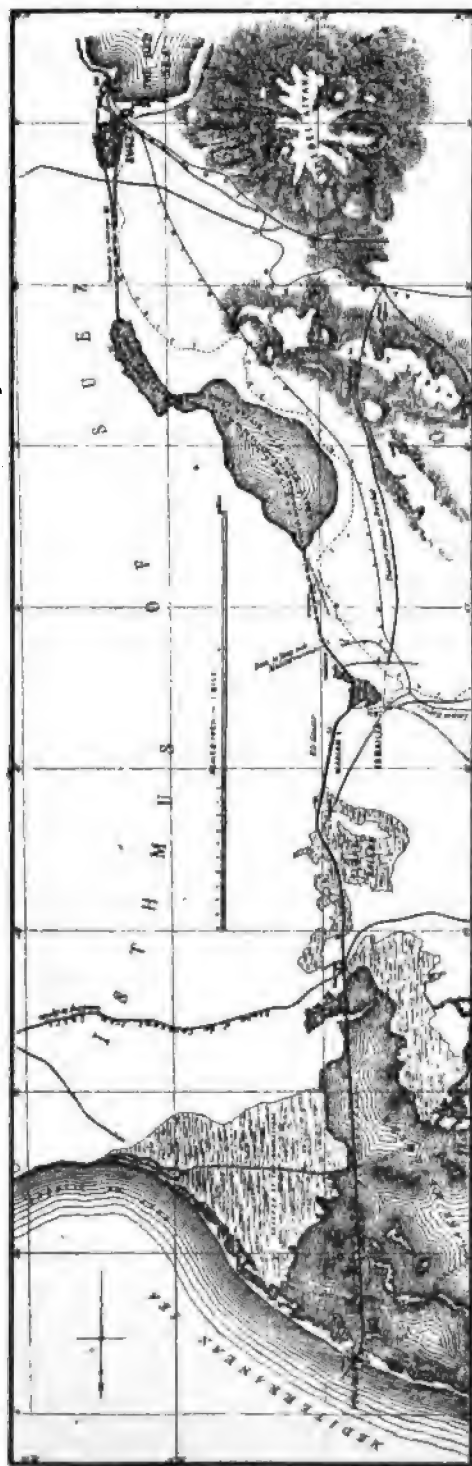


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FROM

Wm. Cameron Forbes

THE GREAT CANAL
AT
SUEZ.



Published by
 the Government of Egypt
 in 1869

PLAN OF THE SUEZ CANAL,

BY M. VOISIN,
 DIRECTOR OF THE WORKS.

THE GREAT CANAL

AT

SUEZ:

*ITS POLITICAL, ENGINEERING, AND
FINANCIAL HISTORY.*

WITH

AN ACCOUNT OF THE STRUGGLES OF ITS PROJECTOR,
FERDINAND DE LESSEPS.

BY

PERCY FITZGERALD, M.A.

IN TWO VOLUMES.

VOL. I.

LONDON:

TINSLEY BROTHERS, 8, CATHERINE STREET, STRAND.

1876.

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TO
THE VISCOUNTESS STRANGFORD.

DEAR LADY STRANGFORD,—

To you I venture to inscribe these Volumes.

The subject may perhaps recall to you your own wanderings, though the narrative cannot pretend to the colour and vivacity of the entertaining "Eastern Shrines and Egyptian Sepulchres."

Believe me,

Yours, &c.,

PERCY FITZGERALD.

London, 1876.

P R E F A C E.

THE story of the Suez Canal, together with that of its persevering projector, who has finally succeeded in triumphing over all obstacles and all opposition, has ever seemed to contain something romantic, and to be worthy of being made the subject of a regular narrative. The various divisions described in the title—the political or diplomatic, the engineering or constructive, and the financial, will be all found curious and interesting, as illustrating separate departments of difficulties surmounted by the amazing energy and genius of De Lesseps. To his gifts and labours full justice has scarcely been done; the aim in these volumes has been to furnish a clear, intelligible account of the projector and of his labours—a task, however, of considerable labour and difficulty, owing to the technical character of the various matters treated. In the engineering division the reader will find a full narrative of the construction, based upon the various authentic

reports of the engineers and others; and in the financial department the reader will find all the balance-sheets from the commencement of the Canal to the present time, with an analysis of the cost, liabilities, and commercial prospects of the undertaking.

From M. de Lesseps I have received the most substantial assistance, who has furnished me with every report, account, pamphlet, and discussion that could throw light on the subject. Of these I have made full use, as well as of his two recently published volumes, "*Lettres, Journal, et Documents.*" I am also under obligation to Lord Tenterden, of the Foreign Office, for assistance of the same kind, as well as to Sir John Hawkshaw, the eminent engineer, who fourteen years ago pronounced that the Canal was a perfectly feasible project.

In whatever aspect we regard the enterprise, whether as a struggle with political powers, or with financial difficulty, or with Nature herself, the one figure is seen conspicuously doing battle, with a surprising versatility and strength, and in the end triumphing by these simple forces. Large as these volumes are, they give but an imperfect idea of this amazing spirit and fertility of resource, which was

never daunted and seemed to be prepared at all points. The diplomatic contest alone would have seemed sufficient to engross the time and energies of a capable and persevering man ; but he was all the time overcoming the engineering and the pecuniary difficulties—tasks quite as great and as engrossing.

It is remarkable that the family of this eminent man should have been distinguished in the same way and have made reputations by their extraordinary display of energy and perseverance. The career of Jean Baptiste Lesseps, uncle of the hero who brought home despatches from the ill-fated La Perouse, making a perilous and almost unprecedented journey from Kamtschatka, in itself reads like a romance. That of his brother Matthew was no less remarkable in Syria, as a controller by force of character of almost barbarous potentates. It may be added that the sons of M. de Lesseps have distinguished themselves as diplomatists and administrators.

In reference to the interesting question of the purchase of the shares by England, I have tried to furnish as full a narrative as possible. This step—the suggestion of which came from Mr. Frederick Greenwood—will, by-and-by, be fruitful of some extraordinary results ; and on this ground it is

deemed desirable that the public should have, ready to its hand a complete view of all the transactions connected with the great property in which it has invested so mnch. To this end, all the Official Documents have been collected and added in the Appendix.

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FERDINAND DE LESSEPS.

THE GREAT CANAL.

CHAPTER I.

THE PROJECTOR.

"**P**ERHAPS the most encouraging and picturesque form of struggle, and which commands most sympathy and admiration from the world, will be found to be that of the Adventurer, in the honest sense of the term, who enters on some forlorn project that has all the magnificence of a dream, who lives to carry it through, and to be at last successful and triumphant. After being ridiculed, and even reviled as a visionary, thwarted where even some faint glimmerings of success have appeared, he has still held on his way, supported by a faith and an enthusiasm that seem miraculous. He has seen the years go by until life itself has been well-nigh spent; his own resources, with those of others who had some half-hearted trust in him, have melted away: until at last he comes to be set

down as an intruder—a bore—a disturber of the community at its business, and he is thrust aside rudely, with Richard's speech, "I'm busy ; thou troublest me ; I'm not in the 'vein." But at last comes the turn. Some unexpected stroke of fortune has shown the surpassing merit of the design ; or, it may be, that such singleness of purpose is really equivalent to strength, and money, and power, and resources. Success is declared and the end gained. Then is invariably seen the humiliating spectacle of a complacent reception of what must not now be rejected, and a smiling adoption of a portion, at least, of the honours. The old rebuffs and the scoffs are set to the account of the adventurer's own indiscretion, for the world, it would seem, is too great a personage to be compelled to own to mistakes or to cry "peccavi." Though it welcomes the discovery—the result of so painful a struggle—and greedily turns it to profit, after the first greetings it gradually becomes cold, and seems to wish that "no more should be said about it." The thing now belongs to the age, &c. It is ill at ease, as it were ; like some great man who has prophesied that some one, or some thing, would turn out badly, and whom the event has proved to be signally wrong.

There are not many of these dramatic instances of hopes long deferred and final success—scarcely half a dozen in all—that of the Jacquard loom and the Argand burner being two of the most curious. But first in interest, on account of the splendour and romantic character of the scheme itself, its gigantic size, in proportion to the single, enthusiastic heart that carried it through, will always be reckoned the story of FERDINAND DE LESSEPS, and of the Canal which he made across the Isthmus of Suez. This story it is proposed to relate in the following pages.

One morning in the month of August, 1854, a French gentleman was engaged in superintending some masons who were at work, adding a story to his house at La Chênaie, in Berry, a house once occupied by the famous Agnes Sorel. For the last two years he had been devoting himself to agriculture and country pursuits. His career might, indeed, be considered as closed; for he had led a busy, stirring life in foreign countries, having filled the various grades of consulship in Tunis, Egypt, Rotterdam, Malaga, and Barcelona; had been Minister at Madrid, and finally at Rome. He had shown himself a man of energy and purpose, and for his

successful exertions at Barcelona, in 1842, to avert a bombardment, had been presented with a gold medal by the resident French and an address of thanks from the municipality. But his chief experience had been gained in the East, where he had made friends and connexions, and, with a Frenchman's sympathy, had thoroughly identified himself with the politics and manners of Egypt.

After some five-and-twenty years' service he found that his course at Rome was not approved by his Government, on which, in 1849, he resolved, apparently in some disgust, to withdraw from the service and claim his retirement. "In 1849," he told an audience in 1870, "I was sent by the Government on an extraordinary mission to Rome, in conformity with a vote of the sovereign Assembly. I was to follow a line of conduct determined by that vote. When the Legislative replaced the Constituent Assembly I was asked to follow another line of conduct, which it is not for me to blame, but which I could not adopt. Unwilling to betray my mission, I abandoned twenty-nine years of diplomatic service."*

The name of this gentleman, who was directing the

* "Lecture to the Société des Gens des Lettres," 1870.

masons, was De Lesseps ; and, as he was about fifty years old, it might be fairly concluded that his career was closed, and that, beyond an occasional cast at the game of politics—open to any Frenchman at any age—life did not offer space for commencing any important undertaking. But his eyes were ever still turned fondly back to the picturesque land of Egypt ; and he entertained himself with what could be no more than a dream—a fabric that seemed as baseless—of “piercing” the Isthmus of Suez. At the moment almost of his retirement, this project began once more to fill his thoughts ; for, indeed, twenty years before, when in Egypt, he had turned over the scheme, and had seen in imagination the waters flowing through the Canal and the ships sailing through.

He tells us himself how the idea first suggested itself. He had been despatched from Tunis to Egypt in the year 1831, in a vessel called the *Diogenes*, commanded by a Captain Pilate, and after a miserable voyage of thirty-seven days had reached Alexandria, where he had to remain in quarantine. During his imprisonment his consul, M. Minault, visited him, and to amuse him brought him Denon's great work on the Expedition to Egypt, and finding there the

engineer's (Lepère) report on the project of the Canal, studied it carefully on the consul's recommendation. He then read of all the attempts that had been made to solve the problem, from the days of the Pharaohs to those of Napoleon.*

During the years that followed, he frankly owns that he was much attracted by the spectacle of another discouraged but persevering adventurer, who, hoping against hope, used to pass by that way carrying on a vain contest with the cautious stupidity of his age. This was Lieutenant WAGHORN. There was a certain resemblance between the persistent efforts of De Lesseps and the heroic perseverance of this projector. Few now recal the almost pathetic constancy of the unwearied creator of the Overland Route, in the face of the most cruel discouragements. Our later projector had a generous sympathy for this faithful pioneer, and was encouraged by his example. "During my first stay in Egypt, in the space between 1831 and 1838, I was greatly struck by the perseverance with which a lieutenant of the Indian navy, Waghorn, attempted to carry out his project of taking the English mails to India through Suez.

* "Entretiens," 1864, p. 4.

At this time the regular route was by the Cape, and it took from four to six months. This lieutenant was bent on proving to the English, by practical example, that a direct road to India by the Red Sea was possible. After unheard-of efforts, all he could obtain was the privilege of carrying duplicates of despatches to Calcutta at his own cost. Seven years of his life he devoted to this labour. He wasted all his means. He used to scour France and Italy—now sailing from France, now from Italy, starting from Marseilles or Trieste, and thus getting to Alexandria. There, without losing an instant, he set out for Suez, either on dromedary back or in a canal boat, and at Suez trusted to chance for meeting a steamer. I used to see him arrive in this way during many years. In his own country he passed for a man with a craze. Yet he had undertaken a project which he had worked out with courage and devotion, had ruined his health and his fortunes, and had left his family to beggary, but for the generosity of the Peninsular and Oriental Company, who awarded them a pension.

“He had, however, succeeded in proving that a single person carrying the despatches could arrive by this route at his destination. An inquiry was

conducted by the Bombay Government as to the possibility of steamers navigating the Red Sea. The English Parliament examined various men of professional experience and politicians. Admirals, and particularly the politicians, pronounced solemnly that though sailing vessels might make their way, it was impossible for steamers to do so.* It was Lieutenant Waghorn, nevertheless, that opened up the route to India over land. He showed that it could be done, and it was the courage he exhibited that left a deep impression on my mind, and served as an example."†

This generous testimony is worth recording, and is worthy of a spirit as persevering as was Waghorn's.

The story of this less fortunate projector is a melancholy one. He had the same energy, but unhappily, not the wonderful gift of our projector—viz., that of fascinating those to whom he addressed his plans, and of inspiring them with an amazing

*. There may be a little exaggeration here, but many years later, the *Edinburgh Review* authoritatively promulgated the reverse of this statement, declaring that sailing vessels could not safely navigate the Red Sea, and that though steamers might, they would not "pay." Both modes, therefore, were out of the question.

† "Entretiens," 1864, pp. 9-11.

belief in him. There is even a similarity in the career of the two men. Waghorn had been in the navy, and when a mere boy had received his lieutenancy. He had shown great bravery, and had fought and bled for his country ; but his darling scheme soon began to take possession of him, and when twenty-seven years old, he had begun to press it on the public with untiring energy. Like De Lesseps, he addressed meetings all over the kingdom, and he became the *bête noire* of the Post Office and the Admiralty, and in due course was rated a bore, to be checked and thwarted by all the polite forms of official obstruction. The Post Office and the East India Company, we are told, "were opposed to steam navigation as a mode of conveyance of the mails." This principle was laid down with all the solemnity of an economic truth, though it is incomprehensible how such statements could be gravely put forth and accepted. It may, however, have been founded on the interests of a safe and sound ROUTINE, the road by the Cape being established, having a certain old-fashioned and cumbrous simplicity, and involving no trouble to the heads of the department. There was something particularly heroic in the mode adopted by Waghorn for convincing his countrymen

that his scheme was for their interest. It was as though a physician were to persist in treating a sick patient who believed him to be an impostor, and were to convince him by making him well. Waghorn could only prove his case by doing himself what he wished others to do, and this at the expense of his health and fortune. Wearied of his applications, the authorities at last, in 1829, allowed him to carry some despatches as an experiment, when he hurried off, and travelling night and day, reached Suez, where he was told he would find a steamer. The steamer had unfortunately broken down, and did not appear, when the brave man threw himself into an open boat, and for six and a half days pursued a dangerous course down the Red Sea to Aden. Nothing indeed was too much for his exertions. Mainly out of his own resources, and assisted by a committee at Bombay, he next proceeded to make the route available for travellers. He formed the eight halting-places in the desert between Cairo and Suez, and which are now marked on every map of Egypt, built three large hotels, established regular caravans, substituted English carriages for the camels on which passengers had been obliged to mount, and introduced small steamers on the Nile.

In presence of such facilities routine had to yield—how reluctantly it may be conceived when it is stated that, though these arrangements were in working order in 1831, an overland route was not established until 1837. In one of his humble and almost piteous appeals to the authorities, written in 1844, he submits the extraordinary result that out of twenty successive Expresses an average journey of forty days, and an average that scarcely varied by twenty-four hours, had been secured by his system. In 1845 he wished to show that there was a yet greater advantage to be gained by the Trieste route ; and when his express arrived at Suez on October 19th, 1845, he took it on to Alexandria, which he reached the following day, and arrived in London at four in the morning of October 31st—a prodigious feat for those days.

But now his means began to fail, and with them his health. To the last he was, as De Lesseps says, looked on as a man with a craze, a trouble to the public. Now that what he had so long pleaded for had been adopted, men did not care to be reminded of these obstructions. It was with him as with De Lesseps, who is still looked on coldly by reason of the trouble he gave. In January, 1850,

at the comparatively early age of fifty, Waghorn died, having only just been granted a pension, which was small in amount and procured with difficulty for this public benefactor. No wonder the projector of the water-route should speak with tender sympathy of the projector of the overland journey; and there is something touching in the picture of the projector of the Canal watching thoughtfully at Alexandria the impassioned courier hurrying past him on his way, while he himself was maturing his own gigantic scheme.

It is impossible to speak of De Lesseps and his Suez Canal without recalling the story of the ill-fated Waghorn.

We now return to the former. In the year 1852 he had again recurred to the design, had drawn up a programme which he had translated into Arabic, and took the step of writing to an old friend, the Dutch Consul-General, to know what chances there were of its acceptance by Abbas Pasha, then Viceroy. "Since the year 1849," he wrote to this M. Ruysenaers, on July 8th, 1852, "I have never for a moment ceased studying this question, which so engrossed my thoughts when we were in Egypt together twenty years ago. I must own that my scheme is

still in the clouds, and I can't conceal from myself the fact that so long as I have only myself to believe in its possibility it amounts to its being impossible to get the public to accept it. We must have a basis to go upon ; to establish that basis I want your assistance.

*" The idea is to cut a passage through the Isthmus of Suez, which has again and again been proposed since the old historical times, and perhaps for that reason has been thought impossible. . . . I send you a memoir which I have drawn up on the subject, &c."**

Such was the modest fashion in which more than twenty years ago the projector opened his great scheme to a friend. Abbas Pasha was a voluptuary, devoted to Eastern pleasures, and not inclined to entertain such schemes. But already our projector was beginning to be stimulated by obstacles, and to show that fertility of resource which obstacles generated. One of the Fould family was then proposing to establish a bank at Constantinople ; and De Lesseps seized the opportunity to have the proposal opened to the Sultan. It was coldly declined, on the ground

* "Lettres, Journal, &c.," 1854-6, p. 1.

of its interfering with the prerogative of the Viceroy of Egypt. Seeing that it was hopeless, our projector laid the whole aside for the present, and, as we have seen, turned his thoughts to agriculture. Thus two years passed away ; and, as has been stated, he dismissed the subject from his mind, and devoted himself to farming and to building, just as we saw him at the opening of this volume. "Under these circumstances," he wrote, resignedly, "I must only let my project sleep. While waiting a more favourable time, I shall take to agriculture, and to the working of a model farm, in an estate of which my mother-in-law, Madame Delamaille, has just become the owner."*

* "Lettres, Journal," p. 3.

CHAPTER II.

THE CONCESSION OBTAINED.

ON that August morning then, of 1854, he was engaged with his masons, and standing on the roof of Agnes Sorel's house, when the post arrived, and the letters were handed up from workmen to workmen till they reached the proprietor. In one of the newspapers he read the news of the death of Abbas Pasha and of the accession of Mohammed Saïd, his patron and friend of the old Egypt days. Instantly the scheme was born again, and his teeming brain saw on the instant the most momentous result from this change of ruler. Farm, house, and masons were all forgotten. In a moment he had hurried down the ladder, and was writing congratulations with a proposal to set off to Egypt. This event was indeed to have the most momentous results.

He had been a warm friend of the new Pashá, and relates himself how this intimacy had been contracted both with him and his family.

“While residing as the French agent accredited to Mehemet Ali, that great prince had shown me much affection on account of the memory of my father, who, when representing France in Egypt after the peace of Amiens, had contributed to the elevation of the Bim-bachi Mehemet-Ali-Aga, who had recently arrived from Macedonia with a contingent of a thousand men.

“The First Consul, Bonaparte, and the Prince de Talleyrand, Minister of external relations, had instructed their agent to seek amongst the Turkish militia for a bold and intelligent man to be named from Constantinople Pasha of Cairo, a title almost nominal, and who could serve to break down the power of the Mamelukes, who were hostile to French policy. One of my father’s janissaries brought to him one day Mehemet-Ali-Aga, who at that period could neither read nor write. He had left Kavalla with his little band, and sometimes boasted of coming from the same country as Alexander. Thirty years later, when the consular corps came to Alexandria to compliment Mehemet Ali Pasha on the victories of his son Ibrahim Pasha in Syria, the Viceroy of Egypt, turning towards me, said to my colleague: ‘The father of this young man was a

great personage when I was a very small one. He had one day invited me to dinner. The next day I learnt that some silver had been stolen from his table, and as I was the only person who could be suspected of the theft, I dared not return to the house of the French agent, who was obliged to send for me and reassure me.' Such was the origin of my relations with Egypt and the family of Mehemet Ali, and consequently of my friendship with Saïd Pasha. His father was an extremely severe man, who was annoyed at seeing him grow fat to a formidable extent, and who, to prevent excessive obesity in a child he loved, sent him to climb the masts of ships for two hours a day, to skip with a rope, to row, and to walk round the walls of the city. I was at that time the only person authorized to receive him. When he came to me he would throw himself on my divan quite worn out. He had come to an understanding with my servants, as he confessed to me later, to obtain from them secretly meals of macaroni, to make up for the fasting imposed on him. The Prince was brought up in French ideas with an impetuous head and great sincerity of character. Two years before he had been accused of conspiracy. He had been ill-treated by the Viceroy.

His family had been exiled. The discontented had gathered round him, and he had been obliged to escape as he could. He came to Paris, and lived at an hotel in the Rue de Richelieu, where I visited him. His situation, the welcome I gave him, and the recollection of his childhood, established between us from that moment a truly brotherly friendship.”*

He speaks of the new ruler as intelligent and sympathetic, who indeed through all the progress of the enterprise showed the most impulsive devotion, as well as a most un-Eastern constancy. Much, too, must be allowed for the charm of the remarkable character which he had to deal with—a character whose sound principle ever was to have faith in himself.

An answer speedily arrived with an invitation to come and meet the Pasha at Alexandria in November. Full of hope and in delightful spirits, he wrote to his Dutch friend: “I wish you to be one of the first to know that I shall be punctual at the rendezvous. How pleasant to think of our meeting once more in the dear old land of Egypt. But not a word to mortal about the Suez scheme till I come.”

* Lecture, April, 1870, translated by Sir D. Wolff.

On the 7th of November he had landed at Alexandria. He was lodged and treated sumptuously—a palace and servants and horses were placed at his disposal, and at his first interview was welcomed in the most affectionate manner. The Viceroy was on the point of starting on a sort of military promenade to Cairo, and insisted on taking his friend with him. Then followed dinners, fêtes, and receptions. But his hopes were rather damped by a remark which the Dutch consul recollected having heard the Viceroy utter before he came to power. His father, Mehemet Ali, he said, had once thought of making the Canal, but had given up the idea on the ground that England would object. The son added, that if he ever came to be Viceroy he would take the same view. “This was not encouraging news,” wrote home De Lesseps, “but I am persuaded that I shall succeed.”* Nor did he neglect any means that were likely to have influence on that Eastern mind which he knew so thoroughly. On their way to Cairo he secured the good offices of one of the Ministers, who promised to prepare the mind of the Pasha for the reception of the project. The expedition was

* “Lettres, Journal,” p. 11.

delightful. They camped every day, had music and feasting in the tents, and the Viceroy was gracious and even affectionate. But a whole week went by without any allusion to the matter.

At last the morning of November 15th came round. This was to be a remarkable day. Our projector had risen betimes. "The camp," he wrote in his journal, "was astir; the freshness of the air showed that the sun was about to rise; some rays of light were already breaking in the horizon. . . . All of a sudden I saw a brilliant rainbow display itself and spread across the sky from west to east. I own that my heart began to beat violently, and I seemed to see in this sign the true union of East and West, and a prophetic notice that the day was to be marked by the success of my scheme."*

From this reverie he was awakened by the Viceroy, who greeted him affectionately. At ten o'clock De Lesseps quitted him, mounting a handsome horse which his patron had presented to him. A stone

* "Journal, Lettres," p. 17. A more prosaic reason than this brilliant omen is supplied in the Lecture given in 1870, where he stated that Zulfikar Pasha, the Minister, had promised to tell him the proper day when the Viceroy seemed in the best mood for the reception of the scheme.

parapet had been built round the tent ; and wishing to display the animal's action, and being himself a good horseman, he cleared the barrier at a bound, and galloped away down the hill to his own quarters. " This feat," he writes, " helped to gain the favour of those surrounding the Viceroy. The generals who came to join me at breakfast congratulated me, and I could see that I had risen considerably in their esteem."* At five o'clock he returned to dine with the Viceroy. The latter was in spirits : he took his friend by the hand, which he detained for a moment in his own ; then made him sit down beside him in his tent. The moment had now arrived. It was an anxious one. Our projector felt, as he later confessed, that all depended on the way in which the matter was put before the Prince, and that he must succeed in inspiring him with some of his own enthusiasm. He accordingly proceeded to unfold his plan, which he did in a broad fashion, without insisting too much on petty details. He had his

* This little incident has been ridiculed in some newspapers, the turn given to it being " that he had gained the concession by leaping his horse over a wall." He knew what was most likely to impress the Eastern mind, and, as it will be seen later, all through his course he neglected nothing that might assist his plans.

Arabian memoir almost by heart, so all the facts were present to his mind. The Eastern listened calmly to the end, made some difficulties, heard the answers, and then addressed his eager listener in these words :—

"I am satisfied ; and I accept your scheme. We shall arrange all the details during our journey. But understand that it is settled, and you may count upon me."

"Dinner followed, and as we were now both of one mind, we plunged our spoons into the same tureen, which contained an excellent soup. Such is a true and faithful account of the most important negotiation I ever entered on, or ever shall enter upon."

That night, as we may imagine, he could not get to sleep. In this fashion was the first and most important step taken for the commencement of the grand scheme, which, however, he was not to see accomplished until fifteen years had gone by.

During the rest of the journey our projector did not fail to expound all the details, and succeeded in inspiring his patron not merely with his own faith but with his ardour.

They talked it over and over again, and weighed

all the obstacles. Towards the end of November they reached Cairo.

Arrived here, he was treated with even more distinction, and lodged in a handsome palace, which by an encouraging coincidence chanced to be the one in which the commission of savans more than fifty years before had discussed and reported on the project of the Canal. Twenty horses were at his disposal. Almost at once he was recommended by the Pasha to wait on the English Consul-General, Mr. Bruce, and open the plan to him. By this functionary he was received with decided coldness and reserve. He declared, however, that if it was to be a purely commercial enterprise he did not anticipate any objection from his Government, but that he had no instructions. On the 25th the Viceroy assembled all the functionaries and foreign consuls at the Citadel, and formally announced the project to them. He had entrusted the execution of the scheme, he said, to M. de Lesseps. A company representing all countries was to be formed, to whom he would grant the "concession" of making the Canal. Then, turning to Lesseps, he added in a friendly way, "That is our plan, is it not?" The latter, on this invitation, then proceeded to explain the scheme in detail, insisting

on the point that care would be taken not to interfere with the interests of foreign countries ; that every one should be allowed to share in it—an explanation that was received cordially by all, except perhaps by the English consul, who looked agitated and was still reserved. Here was the edge of that cold shadow which was rapidly to spread over the project, and for years thwart the sanguine dreams of the projector. From this moment the prosperous course of the scheme was to be mysteriously checked by this secret influence, but for which the Canal would have been happily completed much earlier than it was.

This announcement to the diplomatic audience is said to have been the result of a sudden inspiration, and no doubt, with an Eastern's timidity, he thought this the mode of avoiding the intimidation and intrigues which a more gradual mode of notification would certainly expose him to. Yet it may be suspected that this course was hinted to him by our skilful negotiator. The Viceroy was in great spirits on this auspicious morning. He even joked with the American consul, and declared that *his* isthmus would be cut long before theirs.

From this day the indefatigable De Lesseps may be said to have scarcely rested a moment. He was

to be in communication with every one of importance in Europe—engaged in this diligent *propagande*. Almost the first personage he appealed to was Mr. Cobden, to whom he wrote that he had heard that England was already opposing the project on the ground that it would favour too much the countries on the Mediterranean Sea. He laid his scheme formally before Mr. Bruce, and in a letter to Arles Dufour spoke of commencing the freshwater Canal, indicating the future course.* On November the 30th, 1854, the “concession” formally drawn up was duly signed. The substance of this important document runs as follows :—It was proposed that the Company should consist of capitalists of all nations, and that the privilege should be an exclusive one, and all persons whose property was affected by the scheme should be indemnified by the Company. By Article I. the direction was confided to De Lesseps. By Article II. the director was to be always nominated by *the Egyptian Government*, and to be selected from the shareholders with the heaviest stakes in the

* “Lettres, Journal,” &c., p. 55. In the later plans this course was departed from for a time, but they soon reverted to the original line, thus showing how carefully matured had been all details.

concern. By Article III. the concession was fixed for 99 years. By Article IV. all land required for the Canal was to be granted free of charge. By Article V. the profits were apportioned—15 per cent. (from the net balance) to the Egyptian Government, 75 per cent. to the shareholders, and 10 per cent. for “founders’ shares.” The Egyptian Government were to receive the interest on such shares as they held in addition. By Article VI. the tolls were to be settled by Government and the Company, and no nation to be favoured. By Article VII. it was provided that should the Company make a Canal between the Nile and the ship Canal all the land thus watered and occupied should be theirs. The Company was to pay no taxes on those lands for ten years from the opening of the Canal, after which they were to pay the “dime.” When this lease was expired they were to retain the lands subject to the usual rates. These were the important provisions. The whole concluded with a declaration signed by Kœnig Bey to this effect, “that the digging of the Canal was not to be commenced until *the Sultan’s leave had been obtained.*” Another Article showed that M. de Lesseps recollected that there were rival schemes in the field, and by this it was

stipulated that only the *direct* route should be adopted.

That it was a highly favourable arrangement for the Company there can be no doubt, but in view of the late transaction of the purchase of the Khedive's shares it will be noticed that one Article seems to favour the interests of this country in a most fortunate manner, it being declared that De Lesseps' successor is to be chosen from the persons who have the largest stakes in the concern. England, therefore, may be fairly allowed to claim, according to the Articles, to ~~nominate~~ the next director.

This concession was supplemented by another, the "Second Act," granted in the following year, and dated January 5th, 1856.* In the preamble it was stated that M. de Lesseps considered the first grant rather too general, and the affectionate Viceroy proceeded to concede fresh advantages with an indulgent preciseness.

Article I. referred to the freshwater Canal, whose course was defined as proceeding from the Nile to the Canal, and from thence to the north as well as the south. By Article II. four-fifths of the workmen

* See the Official Documents.

employed were to be Egyptians ; it was stipulated all who used the water were to pay a rent to the Company. It may be stated here that the freshwater Canal, which was merely incident to the grand scheme, is likely to prove almost as important ; at least as regards the country. By Article X. "all uncultivated tracts not belonging to persons" (a general definition), were handed over to the Company according to the plans subjoined. By Article XIII. it was entitled to work mines and quarries, and exempted from all customs' duties on the machinery, material, &c. it imported. By Article XIV. it was solemnly declared that the Canal was to be "a neutral passage," open for all, but subject to the dues and tolls. By Article XV. no vessel was to be favoured in this respect. By Article XVI. an ambiguity in the first concession was cleared up. Though the Canal, at the expiration of the ninety-nine years' concession, reverted to the Government, the Company were allowed "to renew" for successive terms of the same length, at a gradually increasing percentage (*prélèvement*)—20 per cent. for the second year, 25 per cent. for the third, until 35 per cent. was reached, which was not to be exceeded. Article XIX. contains a definition of the "founder"

shareholder, who was to be a person "who had contributed by work, money, or studies," towards carrying out the enterprise; and finally, by Article XX., De Lesseps, "our friend," was to be the president founder for ten years from the completion of the Canal. Such were the privileges accorded to the new Company. There can be little doubt but that the present Khedive would never have granted such terms; and, indeed, no one could have anticipated that the result would have benefited Egypt so rapidly, as the projector was soon to learn.

When the English consul heard of this step he was surprised out of his reserve, and told the Viceroy plainly that "*he was going too fast.*" The latter replied with spirit, that he could not imagine for a moment that a step which was clearly in the interests of civilization could be opposed by any State. But, he added, significantly, should any agent formally object, under instructions from his Government, he should require these objections to be put in writing, so that he should have it in "black and white," and *faire son dossier*. This was no doubt a suggestion of De Lesseps, who was prepared at all points, and whose fertility of resource was wonderful. By Christmas he had started on an expe-

dition to explore the ground more minutely. He was accompanied by two French engineers of reputation, who had long been settled in Egypt, and had received high honours. These were Mougel-Bey and Linant-Bey. They had been engaged on hydraulic works connected with the "barrage" of the Nile, and had already considered the subject of the Canal.

On Christmas-day he was at Suez, then a miserable squalid town of three or four thousand inhabitants, encroached on by the desert. No one would then dream of the busy port, with its docks and workshops, which has taken its place. He was absent about three weeks, and the result of their investigation was that the Canal was perfectly feasible. All this while he was planning and mapping out the details of his enormous enterprise, laying down fixed principles, from which he was determined not to depart. His patron, whose affection and confidence in him seemed to increase each day, insisted again and again that he (De Lesseps) must be the sole moving and uncontrolled spirit of the whole. Future schemers will, indeed, envy this fortunate and privileged being who enjoyed the protection of so magnificent a patron. When the ques-

tion of contributions came to be settled, the Viceroy told him that it would be left to him to fix his share. As for the preparatory expenses, he had a sum of a hundred thousand pounds lying by which he placed at his friend's disposal for the preparatory expenses.

Thus supported it was no wonder that the exceptional advantages of the scheme should begin to attract notice. The crew of finance companies and syndicates, already beginning to scent profits, began to tempt him with offers of co-operation. But he was firm. He and the Pasha and a vast number of humble but *bond fide* shareholders were to be the strength of the whole. "My ambition," he wrote to France in January, 1855, "is to be the sole hand to guide all the complicated threads of this enormous enterprise until the time when it shall have strength to advance of itself. I do not desire to receive conditions from any one—in fact, I mean to impose them all myself. I well recollect Mehemet Ali, when I was a young man in Egypt, saying to me, 'Always keep this in mind, my young friend: when you have any important scheme on hand, depend on yourself alone. If you have a partner there is one too many.'" It is certainly true, as he himself owns, that he might have taken his concession to Paris—have entered into a

combination with three or four of the great bankers, and by a successful "*operation*" have netted vast profits. It is evidence of his earnest purpose and enthusiasm that he did not lend an ear to these charmers. From the very first, too, he set himself to the task of conciliating every interest which he thought might be hostile—writing to Mr. Cobden, to the French Emperor, and entering into relations with the Press of Europe. But he could not conceal from himself that the prospect was scarcely encouraging.

The Viceroy had opened the matter to the Porte. But the Vizier had not yet thought fit to consult the Sultan's council on the matter. The great journal—the *Times*—had already begun to thunder against the project, and treated as Quixotic the idea of an entrance at Pelusium being kept open. The tradition runs that in those days—strange as it may now seem—a leader in the *Times* was a nine days' wonder to be discussed and admired at dinner-tables and in public places. Its opposition was therefore most significant. There was a large number of English at this time in Egypt more or less connected with the Cairo railway, which was then being busily prosecuted, and it was natural that

they should consider the Canal as opposed to this scheme. From their lips came language of distrust or hostility, which found an echo in England, though Stephenson, the engineer of the line, affected to say that he discouraged all opposition to the new enterprise.

Under these circumstances our projector determined himself to hurry to Constantinople, and by his own marvellous energy quicken the lagging wheels of the Turkish councils. He arrived there about the middle of February, 1855, supplied with warm letters from his patron, and with Reports of all kinds. But he little dreamed of all he was to encounter there.

This engineer had already, in 1847, explored a portion of the country with a view to using the Nile as a waterway across the isthmus, supplementing it by a new artificial channel, but had rejected the idea as impracticable, which such a scheme certainly was. Later, it will be seen how, by a curious fallacy, he transferred his disbelief and hostility to a plan of a totally different character, such as the present Canal was.

CHAPTER III.

OPPONENTS AND REPULSE.

RESCHID PASHA was then Vizier—a name familiar enough during the Crimean War, now almost forgotten; and as we have seen, the Court was the scene of that absurd struggle for influence which raged principally between the envoys of France, England, and Russia. There could be no apparent advantage in the victory when gained: it seemed to be a matter of prestige that the old tradition had been maintained with much spirit and intrigue; and for the present victory rested with the English, or rather with Lord Stratford de Redcliffe. This imperious envoy, however, seemed to take the matter out of the circle of mere intrigue, and to find the interests of his country in a sort of protectorship of a feeble State. “How to negotiate”—it is Mr. Kinglake that gives this portrait—“with a perfected skill never degenerating into craft—how to form such a scheme of policy that his country might be brought

to adopt without swerving ; and how to pursue this always, promoting it steadily abroad, and gradually forcing the home Government to go all lengths in its support, this he knew ; and he was moreover so gifted by nature, that whether men studied his despatches, or whether they listened to his spoken words, or whether they were only bystanders caught and fascinated by the grace of his presence, they could scarcely help thinking that if the English nation was to be maintained in peace or drawn into war by the will of a single mortal, there was no man who looked so worthy to fix its destiny as Sir Stratford Canning. He had faults which made him an imperfect Christian ; for his temper was fierce, and his assertion of self was so closely involved in his conflicts, that he followed up his opinions with the whole strength of his imperious nature. As though yielding to fate itself, the Turkish mind used to bend and fall down before him.* The spirit that had baffled Menschikoff was not likely to brook opposition from a French projector. At this moment he was in his haughtiest mood, and it is evident, from the caution of the other Ministers, that his

* "Invasion of the Crimea," i. 111, 112.

power was unbounded. The various envoys of Spain, Austria, Holland, &c., secretly assured the promoter of the Canal of their sympathy, but seemed to hint at the hopelessness of his task. His own Minister, Benedetti—whose luckless star was later to associate him with the disastrous negotiations of 1870—shrank from encountering the terrible English Envoy, and recommended discretion. He had discovered, or fancied he had discovered, that the ground was open, that no engagements hostile to the enterprise had been made. All the Ministers, and the Vizier in particular, were for the scheme, and wished to gratify the Viceroy. But they were kept in awe by that stern power, the “Sultan Canning,” or “Abd-ul Canning,” as he was called, who was vehemently against the project. The Dutch, the Austrian, and Spanish Ministers lent him their aid: and indeed it must be said that the first two countries all through actually associated themselves with the project, officially investigating it, and forwarding it in every way.

De Lesseps first waited on the Vizier, when he was received favourably and explained his plan. He pressed him with a number of arguments, notably urging that in the case of the Cairo Railway no

authorization from Constantinople had been thought necessary, and artfully taking care to throw in some topics to excite a jealousy of the English envoy—alluding “to the *personal* hostility of an agent who by his overbearing conduct really outraged the dignity of the Sultan himself.” He presently had the satisfaction of discovering that Lord Stratford had received no instructions from home; and that so far he was merely gratifying his love of domineering, and an instinctive dislike of the French; but that his unscrupulous temper would not shrink from acting precisely as if he was supported at home.

An interview with the Sultan followed, and a very gracious reception. He was told that the matter was before the Council, whose answer might be expected in a few days. He might now fairly think of returning home, having accomplished all that he could reasonably hope for. But weeks passed away. On the eve of his departure, on February 24th, he unexpectedly learned that the decision arrived at was simply “that the scheme should be reconsidered by the Council; that they desired to have further information before deciding,” &c., which amounted to the laying aside of the whole question.

It seems that what had taken place was this. The

Council had met on Feb. 23rd to consider the matter, and, it was reported, was inclined to ratify the project, when the English Ambassador, having no precise instructions from his Government, produced an old letter addressed to the Egyptian Consul-General by Lord Clarendon, in which that functionary was directed to urge upon the Pasha the difficulties of the scheme, and the necessity of waiting till he learned the opinions of the other Powers interested. Of which weapon the Ambassador made such good use, that he succeeded in frightening the Council, who declared that it must have further information before deciding. On this news our projector determined to remain at his post. He was no doubt surprised at receiving an invitation to dinner at the English Ambassador's, quite *en famille*, when the host relaxed, and declared that had this "talking the matter over" taken place earlier, it would have removed a world of difficulties.

Nothing is more characteristic than this scene. The skilful diplomatist was frank, professed to be anxious for more information, and begged that all the papers might be sent to him. He declared that he was not pledged to any course, for or against the scheme. Any opinions he might have uttered were

his own. At the same time he threw out this suggestion—Why not transfer the settlement of the affair to London? Such a course might smooth away the difficulties. The influence of that country might do much. But De Lesseps absolutely declined. One of the Ambassador's speeches was—“M. de Lesseps, all that you say is quite sound; and, if you succeed, the scheme is grand enough to bring you credit and honour. But it is not to be thought of for a hundred years to come. *It is inopportune.*” To which our projector replied with spirit—

“My lord, if it seem inopportune for you, who are against my scheme, it is perfectly opportune for me, who am for it. If it be so useful and is to do me honour, why put it off for a hundred years? At that rate I shan't live to see it; and as I have entire faith in its being carried out speedily, I am anxious to see it done.”

Delighted with his reception, and fancying that he had made an impression, he wrote eagerly the next day, saying that “the interview had removed impressions which he owned had not been favourable. Another talk would make everything *coulour de rose*—so he would call on the next day about one o'clock

at the English Embassy." The answer received to this airy proposal showed him that his pleasant fancy had outstripped his reason : and that he had been weak enough to accept the easy nothings of the drawing-room for more than they were worth.

" I write to you thus early," so ran the letter of the haughty Ambassador, " as well to acknowledge receipt of the papers sent with your letter, as also to request you to choose some other occasion for the visit you propose. Business which I cannot put off prevents me availing myself of the offer you were good enough to make.

" You are right in crediting me with a wish to be better informed as to your scheme—a wish that I always feel in the case of any important enterprise that touches the interests of more than one nation, and which, however attractive in theory, is open to various opinions as to its practical merits.

" You have sufficient good sense and knowledge of the world to see that I may not go further. The different points that you have touched, in a manner delicate and flattering as regards myself personally, belong altogether to the domain of higher politics (*la haute politique*). In the position that I hold,

individual independence has its limits—must sometimes give way to official considerations.”*

This was very different from the *dégaçé* tone of the dinner-party. The Ambassador, it was clear had determined that the Canal was not to be. Moreover, his haughty spirit could not brook that any scheme of the kind should be attempted without his sanction : it was sufficient that it was introduced under French patronage, which he had fought and crushed at the Porte, to make it odious in his eyes. What seems to support this view is, that De Lesseps was repeatedly assured by Lord Clarendon and other Ministers that the Ambassador was acting without instructions ; though, of course, not *against* instructions—an almost amusing finesse of politics. The views of such an authority would naturally be accepted, and it seemed the most diplomatic course to let it assume the shape of some local question in which the Government at home might affect to have no concern. He found a sympathizing supporter in the old-fashioned anti-Gallican prejudices of Lord Palmerston, and when a Conservative Government came into power, it was a less embarrassing

* “Lettres, Journal,” &c., p. 129.

task to accept than to reverse the old Turkish policy.

On the 28th the Council met once more ; and in the morning the spies of the French Ambassador reported that the English Ambassador and the Vizier had been closeted for three hours, and had concerted a scheme for further delay. Reschid Pasha communicated the result of the deliberations of the Council to M. de Lesseps, which was that three members had been delegated to examine the details of the plan with its author. This, which was a mere subterfuge, our projector declined ; and he took leave of the Porte, seeing it was hopeless to think of prosecuting the matter further, for the present at least. The Vizier, he saw, dared not resist the Ambassador by whose influence he retained his place. With characteristic Eastern duplicity, he affected to deplore this slavery, declaring that the French influence would be far more acceptable at Court. This was but the opening of the game of deception which was to be carried on by this emasculated Court for many years, and whilst English and French interests were played off against each other successfully.

De Lesseps had only the comfort of taking with

him a complimentary letter, in which our projector received high praise, and in which his Canal was described as "a most useful scheme." It was also spoken of as a most "interesting enterprise." These empty phrases, however, were treasured up and turned to excellent account. When exasperating excuses were protracted through many years, his voice was heard again and again protesting that this was the scheme that had been approved by the Sultan and Court, and described as "one of the most useful and interesting."

Checked for the moment in this direction, De Lesseps hurried back to Egypt, to reassure his protector, who presently received a communication from the Turkish Court, discouraging the project in every way, chiefly warning him against incurring the hostility of England, and the folly of throwing himself into the arms of France; to which the Pasha made an angry reply, taunting the Ministers with being in terror of Lord Stratford de Redcliffe's menaces. De Lesseps then proceeded to Paris, enlisted the support of the correspondent of the *Times*, Mr. O'Meagher, and it must be most flattering to the great journal to see the enormous importance attached by foreigners to its opinion, The simple letter which this gentleman

was induced to write was hailed as one of the grandest accessions of strength the scheme had yet received. The projector then enlisted the support of the Duke of Brabant, of Thiers and Guizot—hurried to Paris, secured the undoubted influence of his connexion with the Empress, and contrived that the Emperor should have a conversation with Lord Cowley on the matter. At that time all Europe hung upon his utterances, and what so great a potentate favoured was not to be dealt with in such jaunty fashion. Indeed, it becomes quite easy to follow the tactics of the English Ministry, which do credit to the traditions of the old tortuous school of diplomacy. In the face of this French alliance, it was contrived that the opposition should be shifted to the personal hostility of the Ambassador, which the Cabinets did not pretend to control.

This will be seen from the next step in the proceeding, when the Turkish Ministry, pressed in one direction by France and the Viceroy, who was ever lavish of his presents, and checked by the English envoy, at last in March or April, 1855, directed M. Musurus, its representative at London, to ask for Lord Clarendon's views. The latter entered on the subject, and repeated the conventional objections to the scheme—

above all, resting on its "inopportuneness." The Turkish Minister declared that it was for the advantage of the world. "In that case," replied Lord Clarendon, "if it is to be purely European in character, and if all be asked to subscribe, England will be represented also, and we can make no further objections."*

It will be presently seen what were the real views of the Cabinet, and how embarrassing it was to have the appearance of opposing a work that was to be useful to all the world on purely selfish grounds. The difficulty, too, of obstructing an object that was heartily favoured by the greatest potentate in Europe, was a fresh embarrassment, as will be seen from what next occurred.

When the scheme was first broached, its news had been telegraphed to the French Ministry, by whom it had been favourably received. The day following, December 14th, Lord Cowley hurried to M. Drouyn de Lhuys to ask for particulars, above all to find out whether it had been supported by the Government. The Minister replied that he had been in utter ignorance of the whole until the receipt of the news—

* "*Lettres, Journal*," p. 179

but added, that he would be glad to lend it all his personal support, and that he was delighted to hear of it.* The English envoy then repaired to the Emperor, who affected to speak coldly of the project. But the Empress, a connexion of De Lesseps, had thrown herself heart and soul into the project, and it was reported that the Emperor had declared to her "*L'affaire se fera.*"

That cautious spirit, however, proceeded with extreme reserve, and directed his representative at London to open the matter to the English Ministry, declaring that he himself would consult the proper persons on his visit to London, which was shortly to take place. One circumstance, too, favoured the projector. A diplomatic squabble had broken out at Constantinople, owing to the contents of some letters of the Vizier having transpired, in which that shiftily Turk had spoken with scant respect of the Emperor. This led to his fall, and was of course a rebuff for

* This is described as "a dignified retort." French diplomacy was always singularly sensitive as to all that concerned Egypt; and readers will recollect a reply made by M. d'Haussez to an English Ambassador, who came to inquire as to the proposed occupation of Algiers. This took the shape of a coarse phrase, borrowed from the markets or stables, but it was thought admirably dignified.

the great "Abd-ul Canning." It now turned out, that all the time *he was steeped to the beard in Lord Stratford's waters*—the curious phrase of the Pasha's brother-in-law.

Meanwhile, as the scheme was now rapidly taking shape, Lord Clarendon found himself obliged to make further sign, and in a despatch to Lord Cowley, of the date of June, 1855, had to show his hand and for the first time declare officially what the English policy in the matter was to be. He urged that the Canal itself was visionary and impracticable, and "*physically impossible*" as an engineering work. Even if it were possible, it could only be done at such an extravagant outlay as would make it valueless as a commercial undertaking. From this he deduced the extraordinary conclusion that, as profit was out of the question, political designs were at the bottom of the scheme. But this argument is so remarkable for its candour, and so curious when it is read by the light of recent events, that it may be given here at greater length.

"Her Majesty's Government cannot conceal from themselves that this project is based on political antagonism on the part of France in regard to Egyptian politics—an antagonism which it had hoped

would have given way before the happy change that has latterly taken place in the relations of the two countries. So long as the supporters of each Government imagined they were forwarding the interests of their country, by crossing and checking the interests of those opposed to them, it was quite natural that the partisans of French policy considered it all-important to separate Egypt from Turkey with a view of interrupting England's communications with her Indian possessions. It was in this spirit, and to this end, that vast fortifications were constructed under the direction of French engineers all along the Mediterranean coast, so as to protect it against an attack from Turkey ; with this view the great works of the 'barrage' of the Nile were undertaken — purposes of irrigation being made the pretext, but which would be of no practical utility, save for contriving an inundation of the country for military purposes. The effect then of the scheme is to interpose between Syria and Egypt the physical barriers of a canal, long and deep, defended by fortifications, and the political one of a long tongue of land stretching from the Mediterranean to the Red Sea and given over to the possession of a company of strangers. Questions of the most

embarrassing kind are certain to arise between the country to which these strangers belong and the Porte.

“The policy associated with this scheme has long survived the policy which prompted the idea of the Canal. As for the physical obstacles, they are too well known to need repeating here. The sea at both sides is so shallow for an extent of three miles that enormous difficulties must be encountered.

“Moreover, to dig a Canal from sea to sea of a size to allow of the passage of vessels will be a most costly work, and as it will be constantly filling up with sand, great expense will have to be incurred for the purpose of keeping it open.

“For this reason it is doubtful if any outlay, no matter how great, can secure a Canal that will remain navigable, or accessible on either side. But it is all but certain that such a Canal, if they succeed in making it, will never be a remunerative work.” —

Such was this remarkable despatch, which in every line showed Lord Palmerston's inspiration. Some infatuation surely tempted the English Foreign Minister to put on record the two prophecies just given. The whole was, it must be plainly stated, a tissue of prejudiced, futile objections. Not the

least folly was the prophecy as to the engineering difficulties, in which the promptings of Stephenson, then a Member of Parliament, were clearly to be seen. No one, however, would now accuse Lord Palmerston of dishonesty, though in a matter of politics he could be *rusé* as well as bold ; and it will be seen later that, with a Philistine frankness, he confessed that these objections were merely artificial and covered others. The explanation of the whole is a simple one. He had had long experience of the old-fashioned French policy, which held that French influence was to be supreme in Egypt ; and that a few years since, in the days of Louis Philippe, a French Minister had been ready to go to war in defence of the Pasha, then in rebellion against his suzerain. This dream of Egypt being especially French, has been completely dissolved by the collapse of 1870 ; but were the French Empire still flourishing, there can be little doubt but that it would have been in full force, and that the recent transaction of the purchase of the shares would have been held to have affronted French pride and French interests far more than did the nomination of a German prince for the Spanish throne. Lord Palmerston belonged to the old school of politics, which had

done battle with French influence in the Tahiti quarrel, and in other transactions, and he naturally viewed the Suez scheme as an incident to be treated in the same fashion.

Such then being the complicated state of affairs, and this declaration of war being openly proclaimed, our projector determined to encounter the enemy on his own ground. He at once determined to proceed to London, and appeal from a hostile Minister to a friendly people.

CHAPTER IV.

ENGLISH HOSTILITY.

DE LESSEPS had arrived in London by the end of June, 1855. His first act was to obtain an interview with the director of the *Times*, Mr. Morris, and the favour with which he was there received is a fair proof that it was the Government and not the public that was indisposed to his project. Mr. Henry Reeve, then, as now, editor of the *Edinburgh Review*, to whom he had been recommended by M. Barthelemy St. Hilaire, a member of the Institute, a savant of distinction and lately well known as the faithful friend and secretary of M. Thiers, encouraged him warmly, though the organ he directed was presently to show itself hostile. This, however, was merely preparatory. Furnished with a letter of introduction, the projector boldly presented himself to the Prime Minister, and with a certain *naïveté* that must have made his host smile, begged of him to discuss the matter with perfect

candour, and without troubling himself with such arguments as he kept for the public. After giving this invitation the projector expounded his scheme at length. Lord Palmerston replied with characteristic *bonhomie*: "I must tell you frankly that what we are afraid of is losing our commercial and maritime pre-eminence, for this Canal will put other nations on an equal footing with us. At the same time I must own that we are not quite easy on the score of the designs of France. Of course we have every confidence in the loyalty and sincerity of the Emperor, but who can answer for those who will come after him?" An invitation to Cambridge House then followed. The French Ambassador, to whom he later reported this conversation, declared that these were not the true objections, but were merely put forward as pretexts; that therefore it was idle to continue "epiloguizing" on such a theme. That Palmerston knew what was behind. Certainly the bugbear of French designs on India could then scarcely have been urged with gravity. An interview with Lord Clarendon followed, who was almost as candid as his chief, though less blunt. "I must tell you," he said, "that the traditions of our Government are opposed

to the idea of a Canal across the Isthmus. And since I have gone into the question, I confess that my own ideas are unfavourable." Then after some compliments to the Emperor, whom at that moment everybody was careful to compliment, he gave a conventional promise that he would examine the question with care and impartiality.*

Our projector in this English campaign never flagged a moment in his labours. He first prepared a statement, which he distributed broadcast over England, and forwarded to all the leading men, all members of Parliament, merchants, and shippers, accompanying it with an appeal from himself.† The most important "adhesions" he received were those already alluded to—viz., of the East India, and Peninsular and Oriental Companies, the former declaring that as regards "the important enterprise of the Canal, the directors took the greatest interest in the success of any scheme that would facilitate the means of communication between this country and India." The latter declared that the advantages were so evident, there could not be two opinions

* See "Lettres, Journal," &c., above quoted, p. 221.

† These two documents will be found in the Appendix, the latter dated Aug. 8, 1855.

on the matter, that if the scheme were carried out they must profit largely by it.* All this time he was regularly reporting progress to the Empress, who was deeply interested in the scheme, and addressing the Emperor. He was also busy in arranging the great task of the international survey of the Isthmus, which was to inspire public confidence. In short, he lost not a moment, and his eyes were at the same time turned from London to the Court at Cairo, to Constantinople, Paris, and to the Isthmus itself. He was drawing up the statutes of the Company, and thus early had even fixed the present charge of 10 francs a ton. By the time he had left London, which was early in August, he had done good work. As yet, however, the wished-for ratification was not forthcoming at Constantinople; but he was so excited by the progress made as to ask the Emperor whether the English Ambassador was to be allowed to persist in obstructing the Pasha's plans. At the same time he was able to assert, by advices from Constantinople, that the opposition there was as obstinate as ever.

Meanwhile he had been pushing on the prepara-

* "Journal," p. 252.

tions for the first practical step in the undertaking—namely, a thorough survey of the line of the Canal by an impartial commission selected from the engineers of different countries. And accordingly, early in November, this international convention assembled. It consisted of Mr. Maclean and Mr. Rendel, well-known English engineers; M. Conrad, a gentleman who was engaged on the water staat or dyke system of Holland; Negrelli, director of Public Works in Austria, who already in 1847 had examined the question; with other persons appointed by the Governments of Italy, Prussia, and Austria. After a consultation a party started for Egypt to survey the ground, and it included Messrs. Maclean, Conrad, Renaud, Linant and Mougél Beys, the engineers, Mr. and Mrs. Senior, and Barthelemy St. Hilaire, who was now one of the officials of the Company, with some others of less note. A most interesting expedition followed, which occupied nearly a month.

“This congress,” M. de Lesseps tells us, “of learned men was convoked by a private gentleman, to meet at Paris on a third storey in the Rue Richepance.*”

* De Lesseps' present residence.

“ Most of the engineers were unacquainted with each other. They were the most competent men to be found, who together presented the greatest amount of practical knowledge. They had left their business, the direction of their works, with remarkable disinterestedness, to found the era of a new civilization. On the day fixed, at eight o'clock in the morning, they were all punctual, arriving by railway from Madrid, Amsterdam, Berlin, Vienna, and London. After introduction, we held our first sitting, at the close of which I could no longer doubt of the success of my enterprise. You may well believe, gentlemen, the congress of these distinguished men did not take place in a moneyed interest. No. Not one of these savants would even accept the repayment of his travelling expenses. They proceeded to name a sub-committee, charged with the study of the land in Egypt. This sub-commission, composed of five members, achieved its task, in the midst of every difficulty, with indefatigable zeal and devotion. On arriving in Egypt, it travelled over the whole of Upper Egypt. On leaving, the Viceroy waited for them at the barrage of the Nile. The Viceroy, who had his troops around him, in full dress, received the mem-

bers of the Commission with the highest honours.

“For these I thanked him. I thanked him above all for having received them as crowned heads. ‘But,’ he said, ‘are they not the crowned heads of science?’

“He generously defrayed from his private chest all the expenses of the explorations, and the studies of the Commission, which travelled as far as the first cataract. These expenses amounted to three hundred thousand francs (12,000*l.*), for which he declined to be reimbursed when the Company was ~~formed~~ four years later. A frigate came to wait for the Commission at Pelusium, and on the 1st of January, 1856, we returned to Alexandria, where the Viceroy waited for us at the gates of his palace. When he learned that the Commission considered the Canal possible, by channelling the Isthmus from sea to sea, without having recourse to the water of the Nile, he threw himself into my arms, and showed the liveliest satisfaction.”*

The question was examined in the most pains-

* “Lecture on the Suez Canal, 1870.” Translated by Sir D. Wolff.

taking fashion and from every point of view, and on the 2nd of January, 1856, being at Alexandria, they were enabled to report that the route by Alexandria was impracticable on the ground of the engineering difficulties and the expense; that the direct road was the suitable one, and offered no difficulties in the execution; that the ports at each end were well adapted for the Canal; and finally, that the expense would not exceed the six million pounds sterling at which the Egyptian engineers had estimated the cost. From this important date, therefore, the project may be said to have now taken an actual, consistent shape, and its success was all but assured. This was merely an expedition to collect facts; the real labours of the Commission were to be pursued at Paris, where all the details were to be discussed and the whole digested into a formal project.

It took nearly a year to arrange the Report, the Commission meeting on June 23rd, 1856. It was composed of the following members:—M. Conrad, Captain Harris (who had made many voyages in the Red Sea); M. Jaurès, afterwards Admiral, and distinguished at the defence of Paris; M. Seur, of Berlin; M. Lieusson; Messrs. Maclean and Manby; M. Montesino, Director of the Madrid Public Works;

M. Negrelli, Inspector-General of the Austrian Railways; M. Paleocapa, Sardinian Minister of Public Works; M. Renaud, Inspector-General of the department of the "Ponts et chaussées;" Mr. Rendel and Admiral Rigault de Genouilly, a functionary well-known under the Empire. M. Conrad, as belonging to the country *par excellence* of water-works, was appointed president; while Messrs. Manby and Lieusson acted as secretaries, the former being selected with a view to conciliate England. Two of the most eminent of the Commission, Negrelli and Rendel, died within the next three years. The Report appeared at the end of the year 1856, and was really of an exhaustive kind. It consisted of a volume with eleven plans and maps.

The reasonings of the Commission from the facts were remarkable for their sagacity and for the accuracy with which they were supported by the event. It is not necessary to analyse the Report in this place, as the plans recommended will be discussed when we come to deal with the works. It may be said, however, that they dealt with all the difficulties in the most exhaustive manner. They proved convincingly that the stock difficulty of a difference of level between the seas did not exist. As to what some

geological objectors asserted, that for a great portion of the route the cutting would have to be made through rock, by means of borings they had ascertained that there were but two kinds of ground to be encountered ; for the lower half, that is, from Suez to the Bitter Lakes, what was called "*argile*," or gravelly, and for the upper half, from the Bitter Lakes, mud and sand. The excavator could not desire more favourable material for his labour. Neither was there any danger of "filling up" from the flying sand—a favourite bugbear. They also rejected the idea of using the Nile itself, and, adopting that of "a maritime Canal," decided against the use of sluices at each end, as proposed by the Egyptian engineers, in deference to the popular fancy that the waters would stagnate in the Canal. It suggested that there should be no banks, at least only through the Bitter Lakes. For width it suggested from 240 to 300 feet *at the bottom*—most ambitious dimensions, based on the allowance of three lines of traffic. The expense was found to be too great, though there can be no doubt that later this uniform breadth will have to be adopted. They then discussed the delicate question of the entrances to the Canal, which, according to the views of hostile

critics, made the execution of the scheme hopeless. These difficulties were dealt with after a masterly and scientific manner, the truth of which has been proved by the result. The tides, winds, depth of water, "silting up," point of entrance—all these matters were discussed, and a solution proposed for every difficulty. Finally, the momentous point of expense was dealt with, and an estimate of about six millions and a half pounds sterling proposed. In short, nothing more satisfactory or exhaustive could be desired than this important report. No engineer or person of intelligence that studied their arguments but must have seen that the whole was a work perfectly feasible and desirable from every point of view. It closed with a forcible plea for the obvious advantages to all of a route which shortened a long and dangerous voyage by three thousand miles. This, it might be thought, needed nothing more than to be stated ; but by-and-by it will be read with amazement that the advantages of such an abridgment were gravely questioned ! This brings us to an almost grotesque if not humiliating episode in the history of the Suez Canal question, that from some of the most enlightened quarters of England should have come an opposition which can only be characterized

as ignorant and illiberal. It was while the Commission was engaged in exploring the Isthmus that an extraordinary article appeared in the *Edinburgh Review*, not merely conceived in a hostile spirit to the Canal, a tone it was quite entitled to adopt, but characterized by a display of elaborate ignorance on the subject that is almost unique. Not less remarkable was the dictatorial strain with which it laughed the whole to scorn, and dogmatically "proved," with a show of professional knowledge that was all astray, that the scheme was a mere piece of French "fancy work." A few specimens from this remarkable paper will not be read without a hearty laugh.

Firstly, as to the long piers which were to stretch out in the Bay of Pelusium, and form an entrance, and admitted to be a costly and difficult portion of the works. "According to the soundings, taken with great care by the German engineers attached to the Commission of 1847, a depth of twenty-four feet is to be found only at a distance of about four miles from the shore; but to obtain a depth sufficient to allow vessels drawing twenty-three feet of water to approach in safety in all weathers, it would be necessary to extend the pier of the proposed harbour at least *five miles*."

No Company could certainly find resources to make two piers of stone, each five miles long. The truth was, other soundings had been since taken, by the regular engineers of the Company, with the result that the longest pier need only be little more than a mile and a half, and the shortest about three-quarters of a mile long!

“The depth of the loose deposit may be eighty feet or eighty fathoms, or twice that quantity . . . it is a matter of calculation to find how many cubic yards of loose stones would be required, but as it is either loose sand or looser mud, it is impossible ever to guess at the amount required.” This, again, was proved to be wrong.

But the really amusing portion was the argument to prove that there would be no practical saving either of expense or of time by the new route! Here was the reasoning. The cost of sending goods by sailing ships would be *far more* by the Suez route, owing to the dangerous navigation of the Red Sea. But it will be said, why not use steamers? —to which it was replied “that it was questionable whether steamers will ever be able to compete with sailing vessels for goods traffic.” It is notorious that steamers have completely destroyed the trade of

sailing vessels. But let us note the conclusion drawn from this argument :—

“ As the English shareholders *will inevitably find that the route round the Cape is infinitely preferable for commercial purposes (!), we may rest assured that the Canal will never be executed* ; or, if it were opened, it would, as in ancient times, soon be closed again, *as it could never pay its working expenses.*” (!)

Noting that what is most delightful here is the complacent tone in which the unfulfilled prophecies are delivered, we pass to the proof that the overland route for goods and passengers will be shorter.

“ Let us suppose,” it goes on, “ an Indian steamer, A, to arrive any morning at Suez ; she telegraphs her arrival to Alexandria, where a vessel, B, immediately gets up her steam and prepares for sea.

Within ten or twelve hours from this arrival at Suez, the passengers, mails, and parcels are on board the vessel at Alexandria, and steaming out of the harbour. The next day the disembarkation of the cargo commences. . . . All can be easily transferred to Alexandria in five or six days, and put on board a vessel, C, which there waits the arrival of the next steamer from India. By this means the passengers and mails save nearly a week compared with the

time it would take the vessel to coal and get through the Canal. . . . If M. de Lesseps' Canal were open a vessel might get through in three days."

Almost every single statement in this wonderful paragraph is wrong. Then follows an argument to prove that the merchant will gain nothing in reduction of freight, and the article goes on :—

"It seems almost needless to carry the argument further . . . for the whole thing is based on a mistake and an oversight. . . . Lesseps and his engineers, the two Beys, all argue as if they were living in the time of the Greeks and Romans, or in those of the Venetians." . . . "All this might be true if a body of French capitalists could be found who would of themselves subscribe the eight millions needed. The probability is, however, that it could not be undertaken without the aid of English capital." "The proposals for the Canal have not been entertained in this country simply because it is known that the difficulties of execution are far beyond the estimates, and *that it would neither shorten the passage to India, nor materially facilitate the intercourse between the mother country and its dependencies.*"

It is curious that in England all the great engineering works of foreign countries should have met

with this kind of jeering reception. Even the great project for the Submarine Tunnel between Calais and Dover, a scheme that will certainly be accomplished, was approached in the same distrustful spirit :—

“ But even if it were made to-morrow, is it certain that ordinary travellers would use it ? The experience of the Alpine Tunnel would, at first sight, seem to give a triumphant answer to this question. But a tunnel seven miles in length is a very different thing from one nearly five times as long, where a breakdown in the middle would leave the travellers over fifteen miles from succour and assistance. Should the white chalk make a sudden dip, the excavation will be fruitless ; should harder rocks make their appearance, the cost of piercing them may swallow up all prospect of profit. Indeed, the general financial aspect of the scheme is far from encouraging. Of course, the transport of merchandize will contribute its share ; but it is precisely on this point that it is impossible to guard against ruinous competition. No doubt proper defensive works would suffice to guard against a *coup de main* by means of the tunnel itself ; but if these were taken in rear, as they might be as regards England, by a

successful invasion on the east coast, what becomes of England's command of the sea?"

These are the words of a great leading journal only a few weeks back; and it will be observed that the same line of objection is taken as in the case of the Canal—not so much a doubt of the possibility of the excavation, as of the utility and the cost: points which only concern the projectors. When the work is completed, which it is certain to be, with the result of amazing traffic and the most perfect success, people will wonder how there could ever have been a doubt as to the matter.

To return to the Suez scheme. This *Edinburgh Review* attack made such a noise, that M. Barthelemy St. Hilaire was deputed to reply to it, which he did with good effect in the *Revue Britannique*.* On the other hand, it was attempted to refute the Report of the Commission by a strange proceeding. The idea of a channel between piers five miles long had been confidently accepted as a proof of the Quixotic character of the scheme; but the plain statement that one of average length was all that was needed, came on the opponents of the scheme with

* In the number for April, 1856.

a shock. The commander of the English corvette *Tartarus*, Captain Mansell, received directions from the Government to make regular soundings in the Bay of Pelusium, and was thus engaged from the 25th of April, 1856, to the 5th July. The result of these inquiries was given in a map published by Captain Mansell in 1858. It can hardly be said that this friendly act was performed in the interests of the Company, and it is not going too far to say that it was hoped that the result would have been very different.* Neither was it so unnatural that the French should see in the grand scheme of the Euphrates Valley Railway, which was now revived and pressed on public attention, a deliberate attempt to destroy all the chances of the Canal. Abroad it was found extraordinary that the English Ambassador should have used all his influence to force from the Sultan a guarantee of five per cent. on this vast line, in spite of all his objections and protests. While he was thus interposing, the same influence was employed to prevent the Sultan's countenance being extended to the scheme of an

* It was a Liverpool newspaper, the *Daily Post*, that first called attention to this proceeding.

ally. It might not be difficult to find an important distinction between the two cases ; but foreign countries are content with a ruder appreciation, and do not care to make nice or accurate distinctions.

The seizure of the isle of Perim, two years later, was not unreasonably assumed to be connected with hostility to the Canal, and to be in the nature of a precaution—particularly as it was recollected that it had been also occupied at the time that Napoleon was in Egypt. It was of course left out of the question that the English had an overland route for which it was necessary to provide as carefully ; but, as we have seen, public opinion is always apt to assume that succession is equivalent to the relation of cause and effect or to absolute connexion.

CHAPTER V.

STRUGGLES.

IN nowise disheartened, our projector was now busily engaged at Paris, doing battle with all the powers of diplomacy. With unwearied energies he had established relations with the representatives of the leading Powers—first at Constantinople, then at Paris ; but though from some he had drawn a formal adhesion in writing, he was presently to find that this was qualified by words of caution and advice not to awaken the hostility of England. It is certainly to the credit of Lord Palmerston that, even in his old age, when it was so often stated that his proud spirit had died out, find in what wholesome awe he still kept foreign countries, who one and all shrunk from giving any direct support to this scheme, lest England should take umbrage. Prince Metternich alone had given our projector the warmest and most cordial testimony as to the importance and value of the Canal—a

testimony which he authorized him to make public, and other Ministers had been privately sympathetic. But now a favourable opportunity offered for obtaining political endorsement for the scheme. All the great Powers had representatives at the Paris Conference, then engaged on the treaty of peace, and as England was alone in her opposition to the Canal, a declaration in its favour might be obtained from the rest. Count Buol was actually authorized to bring the question before the Conference, and to press for its approval; yet this statesman, after a conversation with Lord Clarendon, from which he gathered that he would strongly oppose the scheme, had to tell De Lesseps that, "*though assured of the support of the French, Russian, Sardinian, and Prussian Ministers*, he thought it better not to bring the matter on!"*

De Lesseps had therefore reluctantly to abandon this plan, consoling himself with the reflection that it was for the best, as the English people would in time become more favourable, and the prejudices pass away. What a testimony is here to the prestige of England only twenty years ago!

* "Lettres, Journal," 1st series, p. 362.

Baffled, though not disheartened, he obtained an interview with Lord Clarendon, on April 13th, when he told him that he was about to apply to the English capitalists for support, and bluntly asked would the Government oppose him. Lord Clarendon, well-trained diplomatist as he was, affected frankness. "If we," he said, "ever had doubts as to the opportuneness of your scheme, we were not thinking of English commercial interests, but of the political safety of the Turkish Empire: we feared that it would give too great an importance to Egypt. As for fearing any commercial rivalry from France, we disclaim such an idea; we ourselves would be the people that would profit most." De Lesseps, in reply, expounded his design at considerable length, and concluded by asking directly whether the grant of the Sultan's firman would be still opposed by the Ambassador at Constantinople. Lord Clarendon's reply was characteristic: "It is not impossible but that we may come to some understanding. As you are going to London, see Lord Palmerston, then come and talk with me."

It will be seen that the English Minister did not put forward the same arguments as his chief, and this seemed to support the statement made by

De Persigny, the French Ambassador, that these were fictitious objections, intended to conceal others. The French Emperor was at this time in the flush of his power and prestige, receiving and entertaining the plenipotentiaries in his capital. At one of these soirées the Turkish Minister Aali Pasha came to him, and asked his opinion on the Canal question, adding that his master considered it one of the highest importance (which, indeed, it was to that much perplexed sovereign), and that he would be glad to learn the Emperor's views on the matter. The latter replied that he took the greatest interest in it,* that he had studied it thoroughly, and that he did not consider that the objections made, particularly by England, were well founded. These he hoped to remove. But here again the general caution interposed—it would not do to hurry matters, as it might compromise the success of the whole. He trusted to time, and relied on the good feeling existing between the two countries. On which the Turk declared that his master favoured the scheme on the

* It was natural that the Emperor should be interested by the scheme, as he had occupied himself during one of his imprisonments in preparing a detailed plan for cutting the "fellow" isthmus of Darien.

whole, subject to some reserves on minor points, and certain precautions as to his rights of sovereignty (which was indeed the difficulty of the whole question); otherwise the project was highly grateful to him.

Presently Lord Clarendon, who was also present, was surprised by the Emperor's entering on the subject, and after telling him what the Turkish Minister had said, asking him what *his* views were. The English envoy, though a little embarrassed, answered that it was too important a question for him to give an opinion upon without referring to his Court. Moreover, the scheme was wholly visionary, and impossible to carry out. The Emperor admitted that an opinion was not to be given off-hand, but maintained that it was feasible, and that scientific men had declared that it was. Lord Clarendon continued to maintain his opinion, when the other put it to him in this way. Assuming for the moment that it was feasible, he would like to learn the English view of the matter. Lord Clarendon declared that as regarded the interests of English trade no objection could be made, and that it would be for her advantage, but that the relations of Egypt and Turkey opened up a very delicate question. The Viceroy

had no power to make the Canal without the Sultan's leave. There this curious conversation ended.*

Within a few days De Lesseps was in London, but could not obtain an interview with the Prime Minister until about a week. Alas ! he found that nothing had been gained ; the adroit Foreign Secretary had merely shifted the responsibility from his own shoulders. He found Lord Palmerston in the same mood as before, almost cynically frank in his confession of dislike and opposition. He listened to a written statement of the conversation with the Foreign Secretary, and then, with characteristic directness, did not scruple to put forward pleas inconsistent with those of his colleague, and sometimes with his own. " His language," said the projector, " was the most contradictory, incoherent, and, I may say, the most *stupid* you could imagine. He began to speak of the French intrigues in Egypt against England—that they could be traced back to the time of Louis Philippe, whose gold helped to set up the fortifications at Alexandria. The Canal was only a

* "Lettres, Journal," &c., p. 383. De Lesseps must have learned it through the Empress, with whom he corresponded, and who was eager for the scheme.

sequel to this vicious system. He then turned aside to dwell on the visionary character of the scheme and the physical impossibility of such a Canal ever being made. "All the engineers of Europe might say what they pleased. He knew more than they did, and their opinion would never make him change his one jot." Then he rambled off to the serious political inconveniences to both Turkey and Egypt if the thing were carried out. And he wound up by telling his listener with the utmost frankness *that he would oppose him to the very end!* "I declare," says De Lesseps, "that at times I doubted whether I was listening to a maniac or a statesman. Not a single one of his arguments would bear serious discussion for a moment." The projector made some formal replies, but he saw that he had to do with a "*parti pris*," and was only losing time. All he reaped was to make what use he could of such profit as there was in knowing that he had an open enemy to deal with.* This scene is admirably characteristic of this veteran English Minister, and shows of what kind was his plain method of dealing with foreign questions. Nothing more effective could be conceived,

* "Lettres, Journal," *supra*, 377.

and he had no doubt learned it in the school of Castlereagh and Pitt.

In London De Lesseps did not lose any time, and was treated with much distinction. He was presented to the Queen, and had a long conversation with Prince Albert on the subject, who told him that the Duke of Brabant—the present King of the Belgians—was greatly interested in the project. The Geographical Society entertained him at dinner, and listened to his explanation of the project. After this he returned to Paris. His work had hardly advanced. Indeed, difficulties of the most stupendous character presented themselves. The diplomatic struggle alone would have been enough to engross all the energies of another man, and yet he was now preparing to encounter the physical difficulties of the formation of the Company and the construction. Another danger came from the Viceroy himself, who was being worked upon by intriguers, and who, growing disheartened by the persistent opposition, showed signs of wavering. This was enough to bring our projector to Alexandria, where the fascination he always exercised was sufficient to reassure his patron. But as soon as he had left he was to learn that he had again begun to have misgivings. "I hear,"

wrote De Lesseps to a friend at Alexandria, "that the Viceroy is harassed to death by intrigues against the Canal. All my letters report the same story, and those from Constantinople describe the exertions of the English Embassy to sow distrust between the Sultan and the Viceroy. I see the necessity of at once hurrying to Egypt to reassure our Prince." Accordingly, within a fortnight he was once more at Cairo. But he found everything looking gloomy. "As soon as English politicians perceive the favourable tendency of our affairs, their agents omit no means of damaging us, even going so far as to threaten the Viceroy with forfeiture. They even try to make him out a madman. I had been honoured with the same compliment at the time of my mission to Rome. I endeavoured to encourage the Viceroy, telling him that he had nothing to fear; that I had sounded public opinion in England, and that it was on our side. But nothing succeeded. I found him discouraged, ill, and irritated beyond measure. The blood flew to his head. At length he told me one evening that he could no longer resist all these worries; that attempts had been made to tamper with his troops, whose officers were Turks, and to excite them to desertion. I pointed out to him that as

nothing which went on in the desert was known to any one, we had only to do the work required by the Commission, and to take an excursion in the Soudan as far as Khartoum."*

This expedition occupied three months, but a portion of the time was devoted to the important project ; and, with Conrad, the Dutch engineer, the ground for the preparatory freshwater Canal was surveyed, and four hundred workmen actually were set to work. Thus a beginning had been made. Still the all-important ratification was not forthcoming, though fair words and promises were in abundance. The indomitable English Ambassador seemed to be more dominant than ever, and was pressing for "concessions," such as Banks, &c., to his own countrymen ; while the French Ambassador, apparently cowed, was making no sign.

In this situation, where nothing seemed to advance, he determined on a bold step—to visit the very centre of this hostile influence ; to repair to England, and enter on a sort of mission, appealing from the obstructing Government to the traditional equity and fair play of the country itself. This distinction

* "Lecture," 1870. Here De Lesseps' own prejudices have interposed.

between the Government and the persons governed was probably founded on a national misconception, such antagonism being common enough in France; whereas in England the Ministry might be fairly assumed to represent the people. He was, however, justified in supposing that where commercial advantages were so clearly involved, a great commercial nation would not hesitate to give their sympathies in direct opposition to their rulers. Accordingly, about the 22nd of April, he started for London to inaugurate the great series of "les meetings" all over the kingdom. With what energy he prosecuted this arduous undertaking will now be told.

CHAPTER VI.

THE ENGLISH MEETINGS.

HE came provided with letters from M. Rothschild. His knowledge of English was of the most elementary kind, but this deficiency he also supplied by resolution and a determination to make himself understood : an effectual method of learning a language. He made his *début* at a banquet in the City, where he was well received, and then, in company with Mr. Daniel Lange, the zealous representative of the Company in England, started for Liverpool. He was received in the most cordial way during his progress, and held twenty-two meetings all over the kingdom. At Liverpool the Mayor undertook all the expenses, even to the issuing of the advertisements. "I scarcely expected," he says, "a favourable reception. But it was quite otherwise. In spite of the jumble of English words, which I drowned in French expressions, every one applauded, wishing to show that

they followed my meaning.”* “We travelled,” he told another audience,† “like traders from town to town, with enormous maps, plans, huge books, reports, and programmes. As I knew not a soul at this Liverpool meeting, I was expecting to be interrupted by questions and exclamations. On the contrary, I was received in the most friendly way. . . . When I saw any one come forward, full of eagerness to make some remarks, I fancied that here was an opponent. Nothing of the kind: it was to thank me and compliment me. A question was put to me, was I not acting with the French Government? I answered, ‘*No connexion with the French Government! I am a simple citizen, acting for my own single interests.*’ On which there was great applause. Now in France, if you venture to tell the public that you are acting for yourself, no one will listen to you. But in England, the man who speaks for himself is always listened to. The personal interest of each one is touched, and he somehow thinks that his own cause is concerned.” His first step was always to wait on the Mayor and ask him to preside. He then saw the editors of the newspapers. He tells

* “Lecture,” 1870.

† “Entretiens,” 1864, p. 37.

with characteristic *naïveté* and some surprise how they never took any money! "Another time my candidate was presiding over a court of justice. After the first case was over, I begged him to receive me in his private room, and told him I wished to speak in public. 'All the world may do so,' he answered. He first wished to be excused from taking the chair, on account of his engagements; but, on my pressing him, undertook everything—the expense of summoning the meeting, room hire, and other details. It is thus things go on in England. It is easy to perceive that truth always results from discussion. The most absurd things are freely listened to, because they provoke good and useful explanations. Our high society is, to my mind, more irreconcilable than the poor of the lower class."*

In these labours he was occupied for more than a month, visiting Manchester, Belfast, Dublin, Glasgow, Edinburgh, and every important town in the kingdom. Everywhere he was well received, and his project approved. Of course, as Mr. Gladstone later took occasion to remark, there was no more than courtesy towards a foreigner to be implied in this

* "Lecture," 1870.

reception ; but the campaign as a whole was adroitly planned, and the testimony of the great commercial towns was hereafter used with excellent effect in support of the scheme.

On his return to London in June he found that he had now an old hostile influence to reckon with. Lord Palmerston, he saw, was not altogether pleased with the success of "les meetings," though he affected to depreciate the value of such testimony. However, our projector received an invitation to one of Lady Palmerston's soirées, where he was no doubt a species of "lion." His host accosted him frequently, and the following curious conversation took place : "Well, so you have come over to fight us here. You have been trying to get up an agitation all over England, Ireland, and Scotland." To which the guest replied : "Well, my lord, I only availed myself of the liberty allowed by English law of speaking everywhere with perfect freedom on matters which might not be acceptable to the Government."

"*Lord P.* You know that I have made no secret of the fact that I am utterly opposed to your scheme.

"*De L.* I firmly believe that public opinion must triumph over individual hostility. In fact, I reckon

on this hostility as one of the grand elements of success. This very morning I met a curious proof of this when I was consulting an eminent publisher as to the best way of bringing my book before the public. Among the expenses set down I found a very large item was to be for the organization of attacks upon it.

Lord P. Well and good. Then you can't be angry with me for my opposition. Our good relations won't be disturbed?

De L. So far from that, I declare if I had a hundred thousand francs to offer you, and you were the sort of person that would accept, I would give them cheerfully, for every speech made against the Canal. *I look to your opposition as an engine for raising the capital."*

There was a rather cynical frankness displayed on both sides during this little scene. Nor was De Lesseps' last retort altogether ineffective. It was, however, according to our projector, met by a counter thrust of another kind. A meeting was to have been held at the Egyptian Hall on the following day, at which the Lord Mayor was to have presided. But it is stated the Prime Minister despatched one of his agents to him to prevail on him not to allow

the use of the hall for such a purpose, and to decline to preside. M. de Lesseps seems to say that the Lord Mayor himself informed him of the pressure thus put upon him. But the story seems improbable, and is no doubt founded on the natural misconception of a foreigner accustomed to see the direct action of the Government in every public step.* But as De Lesseps had now challenged the enemy on his own ground, he could not complain if he was encountered with vigour and spirit. A reply to the *coup* of "les meetings" soon followed. Lord Palmerston was not the man to change his opinion or to yield before what he perhaps considered was a piece of charlatanry. Within a fortnight the matter was brought on in Parliament, and he was probably glad to have an opportunity of delivering to Europe the rather contemptuous opinion of the affair which he had privately communicated to the projector.

On the 7th July, 1857, a question was put by Mr. Berkeley in the House of Commons as to whether Government would not use its influence with the Sultan to favour the Canal. Lord Palmerston replied

* "Lettres, Journal," &c., 2nd series, p. 88.

that it declined to do so, "*for the simple reason that for many years it had been doing its best to oppose the scheme at that Court.*" He then proceeded to characterize it in terms that were studiously offensive. "It is an undertaking which I believe in point of commercial character may be deemed to rank among the many bubble schemes, that from time to time have been palmed upon gullible capitalists." Further, it was "physically impracticable, except indeed at an expense too great to warrant any expectation of returns." This was sufficiently strong language. But he went on to say, "Its political tendency was obvious—to *render more easy the separation of Egypt from Turkey.* It is founded also on remote speculations with regard to easier access to our Indian possessions, which I need not more distinctly shadow forth, because they will be obvious to anybody who pays any attention to the subject. I can only express my surprise that M. Ferdinand de Lesseps should have reckoned so much on the credulity of English capitalists as to think that by his progress through the different commercial towns in this country he should succeed in obtaining English money for the promotion of a scheme which is every way so adverse and hostile to British in-

terests. That scheme was launched, I believe, about fifteen years ago, as a rival to the railway from Alexandria by Cairo to Suez, which being infinitely more practicable, and likely to be more useful, obtained the pre-eminence. M. de Lesseps is a very persevering gentleman, and may have great engineering skill at his command ; at all events he pursues his scheme very steadily, though I am disposed to think that probably the object he and some others of the promoters have in view will be accomplished, even if the whole of the undertaking should not be carried into execution. If my hon. friend the member for Bristol and his friends will take my advice, they will have nothing to do with the scheme in question."

The sagacity of the Premier is shown in the forecast displayed in the passage in italics. But he could not have reckoned that within six years from the opening of the Canal the country through which it ran should have become more important in the eyes of Europe than Turkey itself. The language used towards the projector was certainly harsh and undeserved ; the public instinct was more just, for it saw in him an enthusiastic projector, but not a vulgar speculator or promoter of a "bubble" company, as the Minister had described him. He naturally resented

this language, and from Paris addressed an appeal to the members of the House of Commons, in which he vindicated himself with some dignity. He asked, with reason, whether he had appealed for money. On the contrary, he had repeatedly declared that all he wanted was sympathy, and such support as was to be found in resolutions. The bulk of the shares, when the scheme would be brought forward, was reserved for France. He added that it was merely Lord Palmerston's age and situation that restrained him from using language of the kind that had been used towards him.* But as we follow this not uninteresting struggle between the two men, we shall see that in spite of the advantages on the one side, the simple, earnest adventurer was quite equal to the contest. And almost the first advantage he gained from the attack was the valuable aid of that admission, so boldly and incautiously made by Lord Palmerston, "that they had for years been opposing the scheme at Constantinople." This he artfully pressed upon the French Court as being derogatory to French dignity, and it will be now seen with what good effect. In fact, it may be said ultimately to

* "Lettres, Journal," &c., 2nd series, p. 94.

have secured the protection of the French Government for his scheme. In a statement written to the Emperor, dated June 19th, he reminds him of an understanding that had been arrived at between the Courts—that if the English Ambassador exerted himself against the Canal, the French Ambassador was to be at liberty to work *for* it. He then asked, did not Lord Palmerston's confession amount to a violation of this agreement? After such an unfriendly and hostile course, were the French *now* to be restrained from pushing their interests at the Sultan's Court? Or was Lord Palmerston's leave to be asked, especially when the Sultan was favourable? * Our projector, too, though he passed over the Premier's insinuations, was not inclined to tolerate such freedom on the part of others. Mr. Stephenson, the well-known railway engineer, was then in the House of Commons; and on July 17th, when the subject came on again, brought forward by Mr. Darby Griffiths, supported the Premier, declaring that he shared his opinion. It will be recollected that this engineer had made a hasty survey of the Isthmus, and had set his face

* "Lettres," &c., and series, p. 98.

against the idea of a Canal, being attracted by the greater promise and simplicity of a railway scheme. Our projector fired up at this insult and flew back to London from Paris. Mr. Stephenson must have been disagreeably surprised when he was waited on by a gentleman, Mr. Manby, on the part of M. de Lesseps, with a letter requiring him to name two friends and to furnish a written explanation. He wound all up by saying that he had come from Paris to require it, and "placed himself entirely at his disposition." The reply was a disclaimer of anything offensive, limiting the sense of his remarks to the view of the question as a speculation.*

It is certainly either evidence of the loyalty of the Emperor to the English Alliance, or of his suspicion that the Canal would not be for the political interest of France, that from the first he seems to have held back from the project. He and his Ministers, though they affected to wish it well, seemed disinclined to oppose the Stratford influence at Constantinople, and were always impressing caution on the French agents at the Porte. The prudent Thouvenel, one of the most respectable politicians of the Empire,

* See his *Amende*, "Lettres, Journal," &c., 2nd series, p. 112.

may have seen that the power of the English envoy was not to be shaken, and had the sagacity to abstain from a useless struggle. In a conversation with M. de Lesseps when he first waited on him with news of the concession, the Emperor seemed to dwell in exaggerated terms on the diplomatic dangers of the scheme. "You were right in not drawing the various Governments into your plans, and will do well to keep to that policy. Were I to support you now, it would amount to *war with England*, but once you have all the capitalists of Europe engaged, then every one will come forward to support you, and I myself will be the first." These sagacious words really explain the whole French policy during three years. Lord Palmerston's devotion to the French Alliance is well known, and he no doubt felt that the Emperor had made some sacrifice to humour his wishes. The line thus marked out by the Emperor was even the best for the interest of the scheme, as well as good for the interests of France. Nothing indeed is more characteristic of the miserable Turkish politics than the underhand fashion in which this question was dealt with.

The Porte itself could not view with satisfaction

so gigantic a project being set on foot by one of its vassals, whose effect would be to increase the influence or independence of the Pasha. This ratification the latter now affected to treat as a mere matter of form, and which he sought from deference to his suzerain ; both he and M. de Lesseps always urged that the Suez scheme was a mere local project, like the English railway from Cairo, for which the Sultan's sanction was not required. But there was an essential difference between schemes of this class and one which so completely transformed the physical configuration of the land as did the Suez Canal, and which, besides, brought it into altogether new relations with the rest of the world. And though the Hatti-cherif of June, 1841, which gave the Pasha many independent privileges, was often appealed to, still there can be little doubt but that the Suez plan was of an exceptional kind and concerned the empire as much as the province itself.

The situation was therefore a very favourable one for the Sultan, as he could always plead the well-known objections of England ; indeed, the powerful resolution of Lord Stratford would have made it impossible to yield. Never had England a more valuable servant than this imperious diplomatist,

who had the stuff of Clive in him. The French complained with mixed envy and mortification, that here was a man who never scrupled at a crisis to interfere in the name of his Government when he had no direct authority to do so, and whose proceeding was invariably supported at home ; whereas the French Minister was disavowed when it was found convenient. The English always kept the same imperious Minister undisturbed at his post, whereas the French Government changed theirs repeatedly.* No wonder that a man with such power at his back and such ability to use it should have enormous influence at the Court, where it was stated that most of the functionaries were his creatures. The Ministers artfully affected to be favourable and even eager for the Canal ; but to France they urged the necessity of caution and the fear of giving offence to a great Power like England.

* Letter to Prince Napoleon, "*Lettres, Journal,*" 2nd series, p. 136.

CHAPTER VII.

DEBATE IN THE HOUSE OF COMMONS.

BY Christmas, 1857, De Lesseps was once more at Constantinople, and had recommenced operations by going round formally to wait on the various Ministers and great personages. The dragoman of the Embassy accompanied him, being formally charged to announce to all that the Government of the Emperor "was much interested in M. de Lesseps and his plans." There had been a slight quarrel between the French Ambassador and the Ministry—one of the ridiculous and absurd things incident to some barbarous Courts—and this was now to be "made up" by a device of reconciliation. Lord Stratford, it may be imagined, did not relish this new move in the game. Reschid Pasha was now in power, whom De Lesseps had met in Egypt, and this Minister affected to be interested in the Canal personally, that is, not "officially." On the projector's dexterously lamenting the despotism which

Lord Stratford seemed to exercise over them all, he rather warmly repudiated such influence, and frankly owned that a man of such powerful intellect and influence was naturally a valuable ally, and a strong support to his friends. "But why," he then asked, "don't you French exert your influence and pressure as England does? If you want to carry out your plans, you must exercise the same means they do." This plain speaking had not been lost on his listener, who now urged his influential friends in Paris to make exertions. Prince Napoleon persuaded the Emperor to give a partial support to the scheme, who declared that he "saw no inconvenience" in his Minister lending his sympathetic aid at the Porte. Here was revealed the same caution. Indeed, he had but recently met Lord Palmerston at Osborne, where, De Lesseps heard, it had been agreed that both Governments should abstain from an active pressure. The projector, however, could reckon on the support of the Empress and that of Count Walewski; the latter representing that ardent band of speculators and "jobbers" who found in the various operations of the Empire such a source of enrichment.

The English Ambassador had gone. De Lesseps gives a piece of gossip to account for this congé.

When the Emperor and Empress paid their visit to Osborne, the Suez question was discussed between Lord Palmerston and Count Walewski, when the former pressed that the French Government should join in opposing the scheme on the ground that it was hostile to English interests. As this could not be obtained, the old arrangement was renewed: that the respective agents at the Porte should be allowed to act independently, and that the Governments were not to interfere. Lord Palmerston's public declaration had indeed shown that this engagement had not been observed; so now, as an earnest of good faith, it had been determined to give the Ambassador a congé and change all the consuls in Egypt.* But Lord Stratford de Redcliffe's last stroke before his departure was a clever one. He suggested to M. de Lesseps that as there were so many conflicting interests involved, some favouring, some opposing the project, it would be well that all should come to an agreement. What if the Sultan were to address a circular to all the various States asking them to come to this agreement as to their wishes, and that in the meantime the Porte would

* "Lettres, Journal," 2nd series, p. 148.

postpone all consideration of the matter? This device was surely a pretext to gain time. Yet he had so far persuaded many of his colleagues to accept it as a solution of an embarrassing question. But the French projector put it aside at once. He was then granted an interview by the Grand Vizier, whom he told frankly that he would look for something more than mere promises. He seemed to have produced some effect, and the old game of smiles and encouragement from the various functionaries set in once more.

Suddenly a piece of news went round Constantinople, that Reschid Pasha, the Grand Vizier, had died suddenly after drinking a cup of coffee. De Lesseps had been with him only the evening before, when a new proposal, suggested by Prince Metternich, had been discussed. The questions of the neutrality of the Canal, and of its execution, were to be kept distinct—one as the exterior, the latter as the interior question. All the Powers were to deal with the former, as bearing on the independence of the Sovereign of Turkey. The mere execution, therefore, became a matter entirely between the projector and the Pasha. The use to be made of the Canal

and its control belonged to Europe.* The Austrian Minister at the Porte had received the most precise instructions to support the project in every way.†

There was a new Vizier, Aali Pasha, and all had to be begun again. He was a timid man, and had been at the recent Congress of Paris, where Lord Palmerston had spoken to him with decision on the subject of the Canal. Almost at once his caution and indecision were revealed. Notice of a question had been given in the House of Commons which would not be put for some weeks, and he would wait to hear the result. Nothing disheartened, our projector waited on him with a paper of instructions from the Pasha, the tone of which was dignified but decided. In it he protested against further delays, which were unfair to him, as he had been certainly encouraged to go on with the scheme, and had received congratulations from those in power at Constantinople. He added plainly that if the authorization was any longer withheld, he was prepared to go on without it.

Nothing, however, was done. The weeks and

* "Lettres," &c., 2nd series, p. 159.

† They are given in the "Lettres," 2nd series, p. 131.

months passed by, and he still lingered at Constantinople—not perhaps unprofitably, as he was decidedly bringing about a change in Turkish feeling towards the project. Perhaps some shame was felt at the state of undignified helplessness in which they were placed. M. de Lesseps learned for certain that Aali Pasha and Fuad Pasha (the late Minister for Foreign Affairs) really favoured the scheme, and that the Porte would throw no obstacle in the way. Here was something gained, though all preceding Ministers had in truth made the same declaration. However, the energetic projector had laboured so diligently—possibly in putting before them the view that the Canal would be made without, as well as with the consent of the authorities, that the question had advanced. Yet how vain were the rumours on which he was feeding will now be seen. He was almost driven wild by excuses and delays. In February, 1858, he learned from Cairo that the English consul, waiting on the Viceroy to thank him for allowing the English troops a passage through Egypt, hurrying to suppress the Indian Mutiny, had assured him that what he learned of the progress made at Constantinople was untrue, and that Mr. Alison, who was acting in the absence of Lord

Stratford de Redcliffe, had handed letters from Lord Palmerston to the Vizier, warning him against the scheme, and that the latter had engaged in writing not to grant the firman.* The Viceroy replied that he had granted the concession ; that the matter was before the Sultan, to whom such declaration should be addressed. De Lesseps was thus to enjoy the alternations of hope and depression, and those turns of ill and good fortune which attend the adventurer.

Now came news from London that there was a new Ministry. The grand enemy of the project had fallen ! Nothing could be more welcome. This seemed now to open the most certain prospect of success. He might fairly summarize with some pride what had been the result of his exertions. "The condition of things," he wrote, "should be compared with what it was a few months ago when I arrived here. Then Palmerston had just given out that the whole was a Turkish question, and not an English one. I had to contrive, therefore, to shut him off from this loophole of retreat—his shifting the ground to Constantinople—where, having no support from our own agents, and as Lord Stratford was

* "Lettres," &c., 2nd series, p. 171.

backed by his Government, he would infallibly have beaten me. Had I been absent, he would certainly have contrived to have tricked the Porte out of some positive declaration against the Canal." As we have said, the whole was a very exciting struggle between the two men.

Vizier Aali Pasha, with the fickleness of an Eastern, almost at once directed the Turkish Envoy at London, M. Musurus, to ascertain what were the views of the new Ministry on the matter, "as the Turkish Government did not wish to take any step of the kind (*à l'insu*) behind his back." Lord Malmesbury told him that the Government had adopted the opinions of their predecessors on this point, and that they would continue the same opposition, adding "that he welcomed with satisfaction the declaration of the Porte that it would take no step without the approbation (*assentiment*) of England"—a reply that caused much astonishment at Constantinople—Lord Malmesbury's ingenious twisting of the meaning being truly characteristic.

The Turkish Ambassador was at once instructed to protest against this assumption, declaring that it had

* "Lettres, Journal," 2nd series, p. 174.

never' professed to surrender its liberty of action in the matter ; it was merely from deference to a trusted ally that it had asked for an expression of opinion.

Mr. Lange, the acting representative of the Company in London, then entered on the scene, having an interview with M. Musurus, whom he pressed to require an expression of opinion from Lord Malmesbury ; while at Constantinople M. de Lesseps addressed the Vizier in blunt, haughty language, showing that he considered that the situation was changed ; and that he felt secure, assuring him that "the Suez Company, under all conditions, could only be their natural ally." "Be assured that my chief anxiety is to *ménager* the relations of Turkey and England in this delicate question ; and in this character of representative of the Universal Company, backed by the opinion of the whole world, I can assume a responsibility and take an initiative which perhaps the regular Governments, hampered by various considerations, would not be inclined to take on themselves."* He ventured also in another appeal, dated April 4th, 1858, to alarm the Vizier with

* "Lettres," &c., 2nd series, p. 197.

the danger of losing Egypt altogether, alluding to a despatch of Lord Ellenborough's, when Governor-General, in which it was stated that England, to secure its influence, ought to have "one foot in India and *the other in Egypt*." He declared, moreover, that when he was in London direct overtures had been made to him by a person in office to the effect that if he was willing "to allow of England's holding Suez, and thus guarding the free passage of the Canal," all opposition would be withdrawn. This proposal he had repelled *inde iræ* on the part of Lord Palmerston.*

Again his hopes rose high, when notice was given by the persevering Darby Griffith of a question in the House of Commons. On March 26th, 1858, the matter was brought forward, and Mr. Disraeli was asked, did the English Government consider it desirable to persevere in its opposition to the Canal now that all the nations of Europe favoured the scheme? The Chancellor of the Exchequer in reply, avowed that his opinion was that "*it was a most futile attempt, and totally impossible to be carried out.*" Then, beguiled by a pleasantly satirical vein, which

* "Lettres," &c., 2nd series, p. 186.

is often prompted when anything visionary is being dealt with, he added that even if it *were* feasible, "the operation of Nature would in a short time totally defeat the ingenuity of man"—one more unlucky vaticination to add to so many others. As to the political aspect of the matter, he could not venture to say anything, it being of "so delicate a character." Still, though "the noble lord had given an opinion on that part of the subject, the Government had no evidence before them of the kind."

It is remarkable, however, that the wary statesman was careful to base these declarations upon the information of others. The scientific responsibility he devolved on Stephenson; and in closing his remarks he guarded himself even more carefully, saying that, from what he had been told, he was inclined to believe that the project would be unsuccessful, but that the moment had not arrived for pronouncing a positive opinion.

Mr. Disraeli added, fairly enough, that the House had nothing to do with the practicability of the scheme, or concern with the capitalists who chose to risk their money in it. This declaration threw all back, and again awakened defiance in the breast

of our projector. He determined to set out for Egypt, seeing it was useless to hope for anything further at Constantinople. The only thing now was to form the Company, and brave "perfidious England." He was determined to give out that "the declaration of Mr. Disraeli had decided him to undertake the great enterprise." Still he felt that under the circumstances "it would be dangerous to put France forward." He would launch the Company: the very declaration of Mr. Disraeli would cause it to be taken up with ardour in France, &c. Suddenly a telegram reached him,—“A question is to be put in the House by Roebuck. Thus it will be seen that in spite of the Malmesbury tactics and of the *Times*, England wishes for the Canal.” That journal, indeed, was uttering the most contemptuous declarations as to the scheme, and in a leader declared that the scheme was represented in Egypt by a party of adventurers, full of hatred of England. This Company, it declared, would interfere with our interests in every way. England alone was interested in such a Canal, and if it was feasible “our engineers would have made it long ago.”

Meanwhile our projector was hurrying to London to be in time for the “Roebuck interpellation,”

which, on June 1st, 1858, brought on an animated debate in the House of Commons.

Mr. Roebuck made a warm and vigorous plea for the Canal, beginning by declaring that the honour of England was concerned, and that, by these proceedings, it had been dragged through the mire. They had nothing to do with the question of the impossibility of carrying out the scheme; the only inquiry was, was it opposed to the interests of England? and he concluded by moving that "This House is of opinion that the power and influence of the country ought not to be employed in obliging the Sultan to withhold his assent to the project."

After Mr. Milner Gibson and Mr. Griffith had supported the resolution, Stephenson, the engineer and member for Whitby, addressed the House. His speech remains a curious monument of ignorance and prejudice. That this is not saying too much will be plain when it is said that every one of his statements are without foundation. He began by stating that it was "*physically impossible*" that the Canal could be made. "It was forgotten," he said, "that he himself, with the engineers Talbot and Negrelli, had surveyed the ground in 1847, on the supposition that there was a difference of level between the seas, and

this they relied on to produce a current. They found there was no such difference, and therefore it became a mistake to talk of a Canal. It would be simply a ditch,"—a statement greeted with "Hear, hear!" from the audience. (The event has proved the contrary. There was a difference in the level of the seas owing to the tides and currents.) Mr. Rendel, the well-known engineer, was brought in aid, as approving the scheme. Yet his name was not to the Report. Mr. Maclean, another of the Commissioners, disapproved of the scheme. How could a Canal be dug eighty miles long without drinking water along its course? Again, there would be no saving of time; by rail the passengers and mails could get from Suez to Alexandria in eight hours. (It is a fact that even now passengers go by the Canal rather than by the railway.) He made no account of the important element of goods. It was proved later that Mr. Rendel approved of the whole, and had signed the Report, though he died before its publication.* Water was found in sufficient abundance. It is to be feared that the whole tirade was dictated by prejudice rather than ignorance.

* See "Lettres, Journal," 2nd series, p. 260.

Mr. Fitzgerald, now Sir Seymour Fitzgerald, replied to Mr. Roebuck. He asked, Was it desirable that the whole traffic with India should have to pass through a narrow channel, which, if a war broke out, a single battery of cannon could effectually close? Glancing at the political grounds, he urged that the Egyptian coast was at that moment so fortified that a landing could not be effected. The Canal would be a barrier of defence against Turkey. Further, it was to fall into the hands of the French, who might not always be as friendly to us as they are now. Again, it had received no support from the merchants of Great Britain.

Mr. Milner Gibson followed, pressing for the production of the correspondence between the Government and other countries on the subject, and then Lord Palmerston took up the subject in his most "jaunty" style. The most favourable and most charitable way of judging the matter would be simply to state that, in his opinion, it was the greatest bubble that had ever been sought to be imposed on the credulity of the public. The meetings on which such stress was laid were not spontaneous, but were got up by the promoters of these foreign schemes for ends of their own. Even if executed, it would

not pay the expense of its construction. He denied that they had exercised pressure on the Sultan to make him refuse. The Turkish Government was wholly opposed to it. He endorsed what had been said as to the fortification of Egypt, and the use that would be made of the Canal for that purpose. More profound, however, were his concluding remarks, in which he stated that it could not be for the interest of the country that the access to our Indian possessions should be through a narrow passage controlled by a foreign Government. In these words is opened up the future English policy as to the Canal, which will have to be neutralized, or else transferred to England.

Then Mr. Gladstone addressed the House. He put the matter on the true ground, whether it was politic that the influence of the country was to be exerted at a foreign Court against the scheme ; and he urged that so discreditable a system should be discontinued. The pretexts that the scheme was chimerical, &c. were dishonest ; the truth being that the policy adopted was putting England in opposition to progress, and to the wishes of the other countries. He then refuted the theory that it would lead to the dismemberment of the Turkish empire, whose

power, he maintained, would not be affected by a Canal, or anything of the kind. With great force he argued that the advantages of the Canal would be all for England, that country which already, by means of Aden and Perim, controlled the Red Sea. "Which of the Powers," he asked, "will it be, who will really hold this Canal when it is once opened? Must it not of necessity fall under the control of the first maritime nation of Europe? England, and no other country, will be mistress of the Canal."

Mr. Disraeli repeated the statement that the English Government had not attempted to influence the Turkish Government; but put it in the same equivocal fashion that Lord Palmerston had done—viz., they had not interfered *because* the Turkish Government needed no prompting, being totally opposed to the scheme. He added, that he could see nothing in the attitude of the present or the late Ministry to prove that there had been any constraint put on the Sultan. This studied ambiguity, it will be recollected, is quite consistent with that double policy pursued at the Porte, the English Ministry holding aloof and allowing the Ambassador to act for himself. But De Lesseps' revelations of the *bascule* course pursued by both his Government and that of

England are confirmed by a remarkable passage in his speech. Mr. Disraeli went on to say that it had been stated about a year before that the French Ambassador at Constantinople was favouring the scheme. This no doubt was true. But he would only say that he had had frequent and recent communications with the French Government, who had frankly admitted the great difficulties of the scheme, and that it had no wish to interfere in the matter, beyond the extent that any Government would do in favour of an enterprise that could be supported by sound arguments and public sympathy. This statement produced hearty applause. He also alluded to the supposed support of Austria. All that was known, he said, was that Austria had declared that the scheme was not to be executed, and indeed could not, unless with the consent of the other Powers. This was a good specimen of the economy of political truth, as the statement seemed to convey that Austria was indifferent. The truth, however, was that she had supported it in the heartiest and most cordial fashion. He further insisted on maintaining a policy of reserve; and said, guardedly, that if it could be shown that the Canal had all the advantages claimed for it, considerations of

general policy might give away. But at present it was only in the stage of speculation.

Lord John Russell then spoke, declining to accept the statement that no influence had been used with the Turkish Court, and appealing to the extraordinary contradiction between Lord Palmerston's late, and present declarations on the subject. Mr. Bright also spoke, but, without expressing any formal opinion, pressed for the correspondence alluded to in the debate. Mr. Roebuck replied, and on a division his motion was rejected by the large majority of 228, in a House of 290 members.

Our projector was encouraged by this discussion, which he considered on the whole favourable to the prospects of the scheme, and in the first week in June he was back in London, and called on the French Ambassador. That rough soldier of fortune, Pelissier, received him with some sympathy, and the rather empty declaration that he trusted he would "not quit the world before the completion of the great work." Our projector frankly owned the discouraging results of his interview, summing them up thus categorically—viz., "1st. He showed himself very sympathetic. 2nd. It seems he has no instructions to wait on the English Ministry. 3rd. He

showed much complacency when I told him that I had merely come to London on my *own* affairs, in connexion with the Canal, and without any view to asking *his* intervention. 4th. My avowed intention of proceeding with the scheme in the face of the English opposition seemed to please him," &c.* Unhappily, however, he had "no instructions from his Government" as to the Canal, and could do nothing. The Emperor, whose policy was founded on the fact of France taking the initiative in every political movement, was not quite satisfied with Lord Malmesbury's declaration as to the Porte not taking any step in the matter "*without the consent of England*;" it exhibited too great a wish to be dependent on one country. He took occasion, therefore, in one of his many harangues to reassure his subjects, and to allude to this question of "a firman for Egypt" in a way that caused some trepidation in the breast of the Turkish Ministers—one of whom, Fuad Pasha, when at Paris, humbly begged for an explanation from Count Walewski, which, however, was not afforded him.

The incautious and ambiguous declaration of Mr.

* "Lettres, Journal," &c., 2nd series, p. 263.

Disraeli had produced this awkward result. The Council of Ministers had met specially a few days after the debate, and decided that the Ambassador at Constantinople should press De Lesseps' proposals on the Porte, and that the Government should come forward with a proposition, addressed to all the Courts, for neutralizing the Canal.

But what above all favoured the scheme, was the recall of Lord Stratford de Redcliffe—the successful and implacable enemy of the whole. Yet he might solace himself with the complacent reflection, that so long as he, at least, was at his post, the hereditary enemy could not advance, and that it was only after he had withdrawn that the task became easy. The futile opposition was, in fact, collapsing at all points before the steady perseverance of the sturdy projector. In vain did the party of Lord Palmerston and his friends give out that “the Vizier and his colleagues were fooling De Lesseps,” and that they were heartily opposed to the scheme. He had actual proofs in his hands of their goodwill, and of their wish to prove that the Porte was not anxious to throw any obstacle in the way. Other Powers of Europe, as we have seen, were taking a marked interest in the plan, and the projector was now put-

ting forward the not unreasonable argument that if one country was to have the privilege of compelling another Court to refuse its sanction to a project, other countries were quite as fairly entitled to use their influence in the contrary direction. The Ministers of the various Powers, Austria, Prussia, Russia, Spain, Italy, and the smaller States, had cordially endorsed all his proceedings, more particularly his final determination of what he termed "ringing up the curtain for the last act." On the whole, then, it must be said that English policy on this question had been neither skilful nor far-seeing, and was as imprudent as it was unsuccessful. The new Ambassador at Constantinople, Sir H. Bulwer, had brought with him moderate counsels and apparently a new programme. Perhaps the sagacity of Mr. Disraeli had seen that in the temper of Europe the attitude of hostility ought to be abandoned. He was on cordial terms with De Lesseps, whom he had met before in Egypt. He, however, like all concerned, could not depart from the favourite attitude of impassiveness. Boldness was accordingly the game to be played. Everything was growing more and more favourable. The Emperor of the French seemed to be departing from his neutrality, and though still insisting that no

pressure was to be put on the Porte, nevertheless allowed it to be seen that the scheme was favoured by the French people. The attitude of Austria helped to produce this change. Metternich repeated his old advice, that the Company should be at once organized and the money subscribed, and that then it would become a force that could not be resisted. Accordingly, by the end of August, 1858, our projector quitted Constantinople, and after being fêted at Trieste, Odessa, Venice, and other places, arrived in Paris to constitute his Company and issue his invitations for subscriptions. Aali Pasha, the Vizier, was lavish in assurance of goodwill, but frankly owned that he was helpless in the matter, but hinted once more at the necessity of pressure on the part of France as a counterpoise.

CHAPTER VIII.

THE COMPANY.

THE Company was now to be formally constituted and brought out. De Lesseps did not lack applications from the horde of pseudo-financiers and rich gamblers that bred and flourished under the Empire ; but he had determined from the outset that they should have no part in the enterprise ; he would not even allow the legitimate magnates of the stock exchanges of Europe to lend him their rather costly assistance.

"I was advised," he writes, describing an amusing scene, "to open a subscription at Monsieur de Rothschild's. I had rendered him some services while Minister at Madrid, and he was good enough to recognise them.

"'If you wish,' he said, 'I will open your subscription at my offices.'

"'And what will you charge me for it?' I answered, enchanted.

"'Good heavens ! it is plain you are not a man of business. It is always five per cent.'

“‘Five per cent. on 8,000,000*l.*; why, that makes 400,000*l.*! I shall hire a place for twelve hundred francs and do my own business equally well.’

“Well, the Grand Central had just left the Place Vendôme. There I established my offices, and thither capital flowed in abundance.

“One who came to my office was a well-dressed man, I know not of what profession. ‘I wish,’ said he, ‘to subscribe for the Railway of the Isle of Sweden’ (*le chemin de fer de l’île de Suède*). ‘But,’ it was remarked to him, ‘it is not a railway, it is a canal; it is not an island, it is an isthmus; it is not in Sweden, it is at Suez.’

“‘It’s all the same to me,’ he replied; ‘provided it be against the English, I subscribe.’ The same patriotic eagerness was found in many priests and military men. At Grenoble a whole regiment of engineers clubbed together to have its share in a work so eminently French. Even men of letters and retired public servants, who generally do not invest a sou in business, showed their desire to encourage our efforts. The Comte de Rambuteau, who was blind, said to me one day, ‘I have never placed a centime in any enterprise whatever; nevertheless, I have taken two of your shares.’ ‘Those

two shares give me more pleasure,' I replied, 'than a hundred thousand others bought by a banker, for they are a fresh proof of the sympathy of France in my undertaking.'"

On October 15th he issued a circular to all the newspapers, explaining his project; another to his agents, detailing the conditions of subscription. Finally, on December 26th, 1858, a notice was duly addressed to M. Rouher, the Minister of Public Works, announcing that the Company had been constituted; and on the last day of the year 1858 he addressed another formal statement to the Pasha, summarizing from the beginning all that had been done. By this it appears that on November 30th, 1854, the original "mandat" had been issued, which was renewed on January 5th, 1856. The concession thus granted was in pursuance of the powers granted by the Hatti-Cherif of 1841, before alluded to, which settled the relations of the Sultan and Pasha. This view (which declared the concession to be an exercise of this power) had been endorsed by Prince Metternich in a note dated July 8th, 1856, and forwarded to the various Governments by the concessionary on October 28th, 1857, and duly remitted to the Grand Vizier on December

29th following. As the concession contained a licence to commence the works so soon as the Imperial authorization had been granted, De Lesseps was able to quote as his authority a Vizier's letter of March, 1855, in which the Pasha was congratulated on the enterprise as one most beneficial to the Empire, with other messages of the same kind; also declarations made by the Ministers to foreign Ambassadors, one of whom wrote to De Lesseps that he had heard from Aali Pasha and Fuad Pasha that they were eager to prove that the Sultan would not "*de son chef*" offer any obstacle.

He informed the Pasha how the Company had been constituted, of the subscriptions that had been made, that they were ready to begin the work, surveys, &c., and invited his Highness to prove that as regards the Turkish authorization all was *en règle*.

Prince Jerome Napoleon was appointed "Protector," the President was the projector himself, and the style and title of the Association ran, "Universal Company of the Maritime Canal of Suez."

A curious and exceptional characteristic of the

subscription was the class of persons who acted as agents for the projector all over the world. They were some of the leading bankers and presidents of Chambers of Commerce in all the important towns. The subscription opened on November the 5th, and closed on the 30th of the same month. The conditions were thus set out. It was announced that the concession, being granted for ninety-nine years, began to run from the completion of the works. It will therefore expire in the year 1968. The lands are granted in fee. (This, it will be seen, was later revoked or modified.) It was to be a company of the French pattern, known as "Société Anonyme." The Statutes were confirmed by the Viceroy. Its social seat was fixed at Alexandria ; its legal domicile, as well as "attributif de jurisdiction" and "domicile administratif," were to be at Paris. The capital was 8,000,000*£* sterling, in 400,000 shares of 20*£* each ; 2*£* to be paid on subscribing, 6*£* on allotment, and no further payment was to be required for two years. During construction and from the date of allotment of the "provisional scrip" (*titres provisoires*) interest at five per cent. on the capital was to be paid to the investors. At Paris sub-

scriptions were to be paid at the offices of the Company, No. 16, Place Vendôme.

In a recent number of the *Edinburgh Review* (Jan. 1876) this engagement to pay interest on the subscriptions is treated as a device to attract the ignorant peasants. But it was forgotten that this was the system invariably pursued under the Empire. The small capitalist who lent his savings to the State had grown accustomed to the receipt of interest so soon as he had parted with his cash. To invite such a vast sum as eight millions sterling for a private Company from the pockets of rentiers and shopkeepers required something at least as tempting as the bait of the State securities. In Paris alone no less than 21,035 persons took shares.* These subscribers took as much as 207,111 shares, more than half of the total amount.† On an analysis of the share list it was found that the chief proportion was taken by the class of "proprietors and rentiers;"

* "Journal l'Isthmus de Suez," Dec. 10, 1858. Another account makes it 21,229.

† In the "Journal l'Isthmus de Suez," this total is raised to 220,000 shares, on account of orders drawn abroad being included in the French subscription.

that "the army" and the lawyers had taken nearly the same number—viz., from 800 to 1000; that the clergy, professors, and physicians had taken, each class, from 450 to 500, and the "employés" 2195.*

* Analysis of the subscriptions in "Le Canal de Suez," par Ernest Desplaces. Hachette. 1857. P. 261. See also official Papers.

CHAPTER IX.

THE CANAL BEGUN.

THE enemies of the project were not so dismayed by the launching of the Company as De Lesseps supposed, and in December it was known that there had been "a scene" at Cairo between Mr. Green, the English consul at Alexandria, and the Pasha. The consul had arrived specially for the purpose of representing that the Company had been formed, that De Lesseps was uncontrolled, in virtue of the concession, and that the Pasha would frequently find himself drawn into the most serious complications, and that he had better, while there was yet time, withdraw his authorization and disavow the whole transaction. The Pasha replied with some haughtiness that there was a misconception on the point. He himself was the promoter of the scheme, and from the beginning De Lesseps had done no more than carry out his orders. It was a scheme moreover favoured by the

whole of Europe—one that would bring honour on the country. The consul replied that it was, at least, objectionable to England. The Viceroy replied bluntly that he was determined to proceed, and would do his best to forward it in every way. On which the consul begged to be allowed to report the conversation to his Government.*

Our projector had now made his way to Egypt, only to find new difficulties awaiting him. As we have seen, intrigues had been set on foot in Egypt, and it had been repeatedly suggested to the Viceroy that he was allowing a powerful Company to establish itself in his dominions, who would hold him responsible for any difficulties or delays, and perhaps claim enormous indemnities. It was suggested that the cautious reserve of the French Government, which seemed to wish to avoid being thought to be in any way patrons of the Canal, was in reality a sign of hostility. These considerations were likely enough to alarm him, and certainly the finesses of diplomacy had succeeded in involving the whole in such entangled meshes that it was impossible to discover in what position affairs really stood. For a

* Desplaces, "Canal de Suez," p. 307.

short time he seemed to hesitate, and our projector told him frankly that notwithstanding their friendship, and the serious obligations under which he was bound to him, their relations must of necessity be changed. He (De Lesseps) was now the representative of a great Company, who had intrusted their millions to his care, and could no longer be the obliged client of a kind patron. The Viceroy was not offended by this plain speaking,* but his behaviour was certainly eccentric, and were it not the case of an Eastern might be set down to something more than singularity. De Lesseps himself shall relate how he was treated. "The Council sent a Commission to take possession of the land. We present ourselves with a statement addressed to the Viceroy, whom the difficulties continually raised since the formation of the Company had rendered so impatient that he would no longer listen to us, and would only grant us the shortest possible audiences. To let him know the contents of our letter, we were obliged to place it on an arm-chair, and take it back again, so that he should not appear to have received the notification of the Company

* "Entretiens," 1864, p. 52.

being in existence. As I knew that in reality we could count on him, we always maintained an extreme reserve. We left for Cairo, and he for Upper Egypt. One day he learns that I found it necessary to go to Cairo, where he was staying. He leaves by rail at once, taking his nephew, the present Viceroy, and his brother, and presses on the train at such a pace that his brother says to him, 'Monseigneur, we run more danger on the railway than with Monsieur de Lesseps.' How does it happen, I asked, that so great a sovereign did not turn such a man out of doors, or allowed him to come near him? This is the reason. In the East, when a Prince has in his youth known any one he cannot forbid him his threshold. So the Viceroy adopted the course of absenting himself. For a long time, when difficulties started up on every side, nothing worried him more than speaking of the Canal. He begged me to remain several weeks without seeing him. He told every one to grant me nothing, while secretly he allowed assistance to be given me. Thus, in an encampment where we were refused water, one of our engineers could only obtain some by threatening the captain of the boat pistol in hand.

“So the very next morning I had the audacity, at least in the eyes of the public, to inquire amongst Europeans for persons willing to enter our service. All natives had been driven from our yards. None but French remained. Our fellow-countrymen are always firm and steady at their post. Without them I should never have made the Canal, which is really the work of their mind and their energy. That day I hired, for 1200 francs a day, a steamer which belonged to the Government. I embarked on it persons of every kind to the number of two hundred. I placed myself at their head, and the police did not ask for papers.

“On leaving the port I did not venture to ask for a bill of health, preferring not to bring the despotic sanitary authorities on my shoulders. At Damietta I found a sanitary officer whom I took with me. ‘Suppose I lose my place?’ he asked. ‘I will give you another,’ I answered. He came with me to the governor, who, we are informed, was in bed. Well, as there is no governor, we are masters of the town. We take our provisions, and return on board in a boat. Some days later I inquire of the governor as to the serious illness which kept him in bed when I wanted to see him. ‘It was this,’

he answered : ' I had sent a telegraphic despatch to the Viceroy, informing him that you had collected men and provisions to be taken to Port Said ; and I asked for his instructions.' ' Imbecile,' replied the Viceroy, ' this is not the way to write " Said !" Finding the solution so little clear, to cut short every difficulty, I took to my bed.'

" Let us now accompany from Cairo the administrative commission charged with taking possession of the land of the Isthmus. Application was made to the chief camel-driver of Cairo for a hundred camels. He pretended not to have them. When this news was brought to me I was exhorting my companions to have patience with the Arabs. I interrupt my conversation, and going to my room find the chief camel-driver, and frighten him so terribly that he throws himself on his knees and promises all I want. I take him before the governor, and the order is given to form our caravan.

" We arrived at the last village in Lower Egypt. While my companions go shooting, I am told that an officer of the Cairo police, who had been following us for several days, has seized some of our camel-drivers, and imprisoned them, with ropes round their necks.

" I immediately go to him, and after having asked for his instructions, which he could not show me, I treated him before the public in such a manner as to show the population that I was much his superior. In the East one must be either the hammer or the anvil.

" Our last station, before plunging into the desert, was near to Korein. Some of our men ask for water and milk. They are answered that there is none. The truth was, as I knew, that the Cairo police-officer, who continued to follow us, had incited the inhabitants of the village to refuse us all provisions."

The first contractor for the works was one M. Hardon, while Mougel-Bey was the general engineer, deviser, and inventor. At the early stages of the work the shareholders were encouraged by the description of a wonderful dredger, designed by these gentlemen, which was to perform prodigies in the way of saving human labour. The principle of this engine was an endless cloth band of great length moving on rollers, by which the mud was discharged, and which, by the action of the machine, carried it to shore. It was calculated that one thousand cubic yards would be thus removed in a single day

of ten hours.* But this engine was to become antiquated within four or five years, when nearly four times that amount of work was performed by the great elevators and machines *à couloir* which were invented. Twenty-four of these dredgers were ordered in France and Belgium. Unfortunately a vessel laden with workmen and machinery, taken on board at Lyons, was lost off Bonifacio, and nineteen of the men were lost. This, it is believed, was the only serious disaster of the kind that befel the enterprise, and for this the Company was not responsible.

While the engineers and workmen were busily engaged at trenching their Canal, the old intrigues were being prosecuted at Constantinople and Cairo. The firman was withheld, and the Sultan still refused his assent. It was pressed on him, again and again, that the attitude of his vassal was scarcely respectful, and placed the suzerain in an undignified position. His approbation had been eagerly sought for many years, and now when it was withheld, a foreign Company was busily at work carrying out the scheme without that approbation, as though it were a matter of indifference whether it were obtained or not. Vast

* "First Report," 1860.

sums sunk in the sands of the Suez deserts by all classes of Frenchmen, had given that country pressing and substantial claims, which were now becoming embarrassing. In this situation the persecuted Sultan determined on the course of appealing to all the Powers to settle on some international arrangement which would relieve him of all responsibility. After the obsequious fashion of the time, which made every political arrangement originate with the French Emperor, this proposal took the shape of a request from the French Ambassador. It was so much homage to the power and sagacity of the late Ambassador, Lord Stratford de Redcliffe, who had suggested an arrangement of the same kind. It had been vehemently opposed by our projector, who now recommended it to his Company, it might be thought, with some inconsistency. But it should be recollected that he assured them it was then intended as a device to extinguish the whole scheme, whereas now the Canal was in progress, and to all intents *un fait accompli*. In all his declarations, too, he had protested that the material and political interests of the project should be kept distinct, and always had been eager that some such arrangement for the perfect neu-

trality of the Canal should be settled. The English envoy, however, was suspected of doing his best to render the concession futile. According to the gossip of the place, he was indefatigable in trying to have some covert insinuations of the unadvisability of the scheme introduced into the appeal, so as to influence the Powers. The French Minister worked in the opposite sense. M. de Lesseps is responsible for this picture of what was going on :—“M. de Thouvenel met this with his usual skill ; he exacted that the Sultan’s Council should discuss seriously all the advantages offered by the Canal in reference to the interests of the British Empire. And he required that the appeal to the Powers should follow the adoption of a resolution that the Canal *was* now advantageous—this gave rise, you may imagine”—he is writing to the Duke of Albufera, one of the Directors of the Company—to a series of deliberations. The perplexity of the divan was extreme. The English envoy kept pressing the gentry of the sublime Porte with points like these : ‘ If you agree that the scheme is advantageous, and then appeal to the Powers, you will offend England. For the case may justify her persistent opposition in the eyes of the world by

grounding it on the defence of Turkish interests. She is too haughty to avow at a conference that she is thinking of her own proper interests. As it seems only too probable that at a conference all will be in favour of the Canal, it will be you who shall have brought this mortification upon us, and we shall be obliged,' &c. All this was enforced by hints of war, in similar though friendly terms, and the exhibition of letters from Lord Cowley, his brother-in-law."*

The Council held no less than sixteen meetings during this "agony," as De Lesseps calls it; and in December, 1859, the result arrived at was communicated by the Vizier, Mehemet Ruchdy Pasha, to M. de Lesseps himself. His words were to the effect that they were prepared to admit that the Canal was for the advantage of the Empire, as well as of the world; and that therefore he hoped that "no one would take it ill if they were now to call on the friendly Powers to come to an agreement on the political questions which would arise out of the Canal."†

Such being the situation at Constantinople, our projector had also to keep a vigilant watch in Cairo,

* "Entretiens," 1864, p. 69. † Ibid. p. 71.

where the Viceroy was being worked upon. Indeed, on the eve of the first general meeting of the Company, held at Paris on May 1st, 1860, a rumour went abroad that he intended interrupting the operations and destroying what had been done. But there was no apparent foundation for this story. Nearly about the same time a member of the divan arrived from Constantinople with a peremptory order from the Sultan to suspend the works. The Pasha was then far more dependent on the whims of his suzerain than at present, and this command had to be obeyed.* But this was going too far. The interference of the French Emperor was at once invoked, and the interdict removed. All this was distracting and harassing, and required incessant vigilance. It was, in fact, too late to interfere, had the Sultan desired it ; and so violent a proceeding would, in those days of French prestige, have been looked upon as an affront to France. That the enemies had inspired him with distrust is plain from the step the Pasha took—viz., to seek legal advice as to his rights from eminent French lawyers. But to the end he was loyal to the Company and to his old

* "First Report of the Company," 1860.

friend; and when the legal opinions were laid before him, he adopted the view that seemed to favour the Company, and forthwith signed a new contract with them, binding himself to certain regular payments.

He even, for a very moderate sum, sold them a vast tract known as El Ouady, and which the Society proposed to cultivate and colonize. In the centre of Egypt, on a straight line between Ismailia and Belbeis on the Nile, lay this territory—a sort of lancet-shaped tract, comprising 10,000 hectares, equivalent to about 28,000 English acres. This the friendly Viceroy conceded for the small sum of 80,000*l*. How valuable it became, and how much more valuable it is likely to become, will be apparent, as on its repurchase only five years later by the succeeding Viceroy the price was fixed at 400,000*l*. This increase was of course owing to the freshwater Canal, one of the indirect advantages brought by the Company to Egypt. Already the works were drawing numbers of settlers, who were establishing themselves at various points likely to be benefited by the Canal. Having thus shown himself a good ally and a sincere friend, and having by his last act given proof that he had not failed in his protection, this faithful patron died in

January, 1863, after returning from his tour through Europe. This was a serious blow for the undertaking, as the projector had not the same influence over his successor, who was, if anything, a little prejudiced against the Company.

Having thus anticipated events a little, for the purpose of a consecutive narrative, we shall turn to the Canal itself, and follow its construction from the day of its commencement to that of its opening.

**THE CONSTRUCTION OF THE
CANAL.**

CHAPTER X.

THE CONSTRUCTION OF THE CANAL.

THE idea of a Canal across the Isthmus had nothing in it original, and, as M. de Lesseps owns, might have occurred to a child looking at the map of Africa. It seemed one of the most perverse arrangements of Nature, that a straight road should be thus blocked, as it were, by a wall, obliging the traveller to go round some thousand miles. It almost suggested the idea of the huge limb of Africa being attached to the trunk of the great continent by a slender ligament. Now that this has been severed, the geographical configuration of the world has been altered substantially, and Africa may be almost considered *an island*.

Geologists, however, are inclined to believe that over this sandy and marshy tract the water had actually passed, and that the Mediterranean and Red Seas had been joined at some remote era. Some of the fauna of both have been found inland, though

it has been objected that these have never been discovered together. But a third stream had also joined its waters to the others, and the Nile, always turbulent and irrepressible, had forced its way in a westerly direction to Lake Timsah, whence it had rushed north and south to join the two seas. This Napoleon's engineer, Lepère, thought sufficient to account for the separation of the fauna. He also argued, that as the camel is never found among the other animals depicted in the hieroglyphics of Egypt, it had not found its way into the country owing to this barrier; but that after the land had been formed, there was nothing to prevent its introduction—an argument certainly ingenious, if not quite convincing.*

The Egyptians were celebrated for their great works, to which they were drawn by their enormous supplies of forced labour; and their favourite form of operation seems to have been canals, the remains of which are found everywhere, some portions of which are actually in use. The obvious advantages of a communication between the seas would naturally have struck them, though they viewed the matter

* "Captain Clerk," *Fortnightly Review*, Jan. 1869.

more as helping internal communication, and without reference to the interest of other nations. The Nile already formed a kind of water-way from Alexandria to Cairo, and a communication established between Cairo and the Red Sea would have opened a complete water-way from sea to sea. This, according to Champollion, was done by Ramises II. or Sesostris, circa 1300 B.C. According to other accounts, it was Nechos, son of Psammetichus, who some 600 years later, undertook it. He was, however, warned by the Oracles that he was opening the country to invaders, and desisted after having wasted the lives of some 120,000 Egyptians. It was resumed some time later, and completed, it is said, by the Pharaohs. Its course ran from Suez to the Bitter Lakes ($13\frac{1}{2}$ miles), then across these lakes (27 miles), thence to El Ouady (40 miles), which later was to belong to the Suez Canal Company, and from El Ouady to Bubastis, now called Zagazig (12 miles). The whole was thus $92\frac{1}{2}$ miles long.* A writer called El Kendi says that it was cleared in the year 645, within the space of six months.† The most interest-

* Captain Clerk, *supra*.

† "Lettres, Journal," &c., 1st series, p. 147.

ing fact, however, is that two shrewd observers have seen this canal at work. Herodotus describes it, as he saw it on his visit to Egypt, full of water ; it was wide enough, he wrote, to carry two vessels abreast. Strabo, who also travelled in Egypt not very long before the Christian era, saw the canal covered with vessels. It was from one hundred to one hundred and fifty feet wide, and very deep. Plutarch describes Cleopatra as attempting to escape after the Battle of Actium, but her vessels were stopped by the want of water in the Nile. It then fell into decay, but was re-opened by the Roman emperors. It was again abandoned, to be once more restored in the days of the Caliphs, A.D. 600 ; when, according to an Arabic writer, Schems-Eddin, it was Omar who undertook the work. It henceforth bore the name of "The Canal of the Commander of the Faithful." It remained thus open for 150 years, when a vassal, whose full style and titles ran to the unreasonable length of "Mohammed-Ben-Abdoullah Ben Hassan Ben el Horeïn-ben-Ali-ben-Abou-Thaleb," having revolted against the reigning Caliph of Irak, who was entitled Abou-dja-far Abdoullah-ben-Moham Med-el-Mausom, the latter sent instructions to his Lieutenant "to fill up the canal of

Quolzum, so that provisions should not be carried by it to Mecca."

The adventurer and traveller, Baron de Tott, mentions that the Sultan Mustafa was very anxious to restore the canal, and asked him to draw up a plan. The Sultan, however, did not live long enough to mature the project.

When Napoleon was sent to Egypt in 1798 the idea at once attracted him. To his logical mind it must have of necessity suggested itself, and like his great road over the Alps, his docks at Antwerp, and other enterprises, might have been carried out. He then advanced some distance from Suez, and on December 30, 1798, actually came on the remains of the old canal of the Pharaohs, whose embankment was still visible from twelve to twenty feet in height; and pursuing his journey discovered the other extremity near Balbeis. The scheme was part of a grand political project. He wished to have a straight road to India, and, seizing on Egypt, send assistance from thence to the Indian chiefs, and thus enable them to drive out the English. This programme of nearly a hundred years ago is significant of the political dangers which this geographical rearrangement may yet bring. Lepère and a commission of

savans were directed to examine the best means of carrying out the scheme, but before they could report, Napoleon was recalled by the Directory. It is well known that one result of their surveys was a delusion that the level of the Red Sea was some thirty feet higher than that of the Mediterranean, and that the formation of a canal would have the effect of flooding the whole country. "It is, therefore, certain," wrote Lepère, "after due study of the surveys we have made, that the Delta is liable to be inundated by the waters of the Red Sea, and that the fears entertained by the ancient Egyptians of submersion in case a canal were made, were well founded, in past times, when the Delta, and the bed of the Nile itself, were undoubtedly at a lower elevation." The mistake was pardonable considering the rude and even dangerous circumstances under which the surveys were made. This delusion, which was for a long time almost universally accepted, is akin to that imposed on the Royal Society by Charles II. "But," says M. Barthelemy St. Hilaire, "this very extraordinary result was not admitted by all the scientific men of the period. The illustrious Laplace, according to M. Paulin Talabot, uniformly protested against this opinion, which, militating with his theories of the system of the globe and the

equilibrium of its seas, he could not admit, however clearly it might appear to be demonstrated. Fourier, the great mathematician, and the profound author of the '*Théorie de la Chaleur*,' shared the opinion of Laplace, and repeatedly expressed it to many of his friends, from whom I have heard it."*

The engineer himself had some misgivings:—
"Pressés par le temps, inquiétés par les démonstrations hostiles des tribus arabes, obligés de suspendre à plusieurs reprises l'opération, forcés enfin d'exécuter au niveau d'eau une grande partie des nivellements, mis dans l'impossibilité de faire aucune vérification, il n'y a rien d'étonnant à ce que les ingénieurs habiles qui faisaient ces opérations dans des circonstances si exceptionnelles, soient arrivés à des résultats incertains." He leaned to a scheme for taking the Canal diagonally up the country to join the Nile, and thus connect Suez and Alexandria. But these plans never travelled beyond the covers of the magnificent volumes in which they were entombed, until the day when the modern projector read it at Alexandria. More curious was it that the next attempt made, should have been under the auspices of the prophets of the New Panti-

* "*Letters on Egypt*," p. 5.

socracy—the St. Simonians and Enfants, who were connected with a Society for “investigating the question of the Suez Canal.” Under their auspices the commission of engineers, Stephenson, Negrelli, and Talabot, made fresh surveys, which led to the wild scheme of “indirect” route, which was to cross the Nile on an aqueduct, and to be regulated by locks, and to be 300 miles long. Visionary as this project was, it was seriously discussed ; but beside the simplicity of De Lesseps’ scheme it did not bear discussion.

The share of the English engineer in this survey was, later, as we have seen, to lead to some awkward results. His opinion against the Canal was so decided, that he put it aside as even unworthy of consideration, and almost at once threw himself with ardour into the English rival project of the railway. It is unfortunate for his reputation that he should have thus committed himself to so positive an opinion. He was replied to with vigour by his brother engineer, Negrelli, who more than insinuated that he had not been over the ground.* The oft-quoted prophecy of the “dry ditch,” now seems

* See “Lettres, Journal,” &c., 2nd series, p. 273.

strange, coming from a professional man, as it was known that the Canal would be in sections, each bounded by vast reservoirs of water.

But the unreasoning and unreasonable character of the opposition becomes more conspicuous when we consider the deliberate and scientific character of the testimony which was brought to support the scheme. In 1857 the French Academy of Sciences deputed a commission, of which Elie de Beaumont and Charles Dupun were members, to examine the question, and they reported that the Canal and the method suggested for carrying it out were eminently practicable ; while another commission, appointed by the Dutch Government, after a thorough examination, came to the same conclusion. Indeed, to a nation that had performed such prodigies in dykes and waterworks, it must have seemed an ordinary undertaking of average difficulty. In fact, it may be said, that never was a scheme so repeatedly, so thoroughly and scientifically investigated as that of the Suez Canal ; while, on the other side, were put forward the careless declarations of a railway engineer, and the repeated assertion of politicians that the scheme was a "bubble" one, that "it would never be made, but that it would always remain a stagnant ditch."

§ 1. *The Work to be Done.*

The Suez Canal, as an engineering work, has often been spoken of lightly ; indeed, its projector has himself described it as presenting less difficulty than a small French railway. Were such another cutting to be now attempted it would be accomplished with ease, as a piece of contractor's work. The truth is, when a work is the first of its kind, it is attacked doubtfully, because all kinds of difficulties are gratuitously assumed to exist which daunt the projectors and are encountered in hesitating fashion. The work itself discovers a solution—*solvitur ambulando*. But never was an undertaking so beset with these imaginary obstacles as the Suez Canal. An English engineer of eminence, Sir John Hawkshaw, has declared that it really offered no difficulties ; or, at least, offered such as average professional skill could overcome.* It is curious that this

* It will be interesting to compare the dimensions of two other great ship canals :—

	Length.		Breadth at bottom.		Depth.
North Holland Canal . .	51 miles	...	31 feet	...	20 feet
Caledonian Canal . . .	60 "	...	50 "	...	20 "
Suez Canal	100 "	...	72 "	...	26 "

Panama " ————— ———— ————

most obvious line for a canal should have been favoured, and even indicated, by the peculiar formation of the ground. All along its course there is a natural depression or scoop, the lowest portion of which is the basin of the lakes which had long been dry. A sort of ridge starts from Cairo and makes its way across to the Bitter Lakes, where it is met almost at right angles by another ridge running south. At only two points does the ground rise much above the level of the sea—viz., at Serapeum and El Guisr, the latter being 59 feet, the former 36 feet, above the mean level. Unfortunately these prominences projected in some places across the line of the Canal and necessitated cuttings.

The Nile, as will be seen from a map, spreads out from Cairo upwards over the country exactly like the branches on the bough of a tree, and the fan-shaped space included between the three points of Cairo, Alexandria, and Damietta, roughly represent the cultivated or produce-bearing portions of Egypt. The rest is a desert, supplied with water by such costly shifts as the transport on the backs of camels. Travelling was painful, and even dangerous, and the land in default of irrigation worthless. The change wrought within fifteen years

by the two Canals, the Fresh-water and the Maritime, is incalculable ; where there was a desert there are 40,000 inhabitants. Three important towns and ports have been built, villas and gardens line the canals, and railways run along a portion of the banks ; and the desert portion being thus included between two belts of civilization, is gradually diminishing from the encroachings of improvement. So that, even taken as a work of irrigation, the Canal has been of incalculable benefit to the land. It will be now interesting to place ourselves in the position of the engineers, and take a survey of the whole line of the Canal from its starting-point in the Mediterranean.

Nothing less promising than the aspect of the coast could be conceived, and the forebodings of mariners who thought of the difficulties and dangers of "making" it in foul weather, might seem to be fully justified. Pelusium indeed offered the shelter of a bay, but there was no water, and the whole was a series of lagoons ; in parts large ships could not approach within four or five miles. And yet here it was proposed to make a great highway for the ships of the world ! A rather curious configuration of the outline of the coast here occurs. The sea is

separated from a huge lake, known as Lake Menzaleh, by a long strip of "slob" land that seems on the map like the rim of a tea-cup, a few hundred feet wide. This sort of sea-wall stretches across for about forty miles, and joins the two capes of the mainland together. Somewhere in this rim an opening was to be made for the Canal ; further on a port and town would have to be formed, with docks to shelter and repair vessels, warehouses to store goods, and all on a strip of slob land. A few fishermen gained a precarious livelihood here, there was no water, save only what could be transported on camels from Damietta. There was no stone. It seemed almost hopeless that anything could be done with such unpromising prospects. It seems almost incredible to read what has been done, and what seems the work of enchantment. Within ten years this strip of slob has been converted into a thriving town, laid out in regular streets and squares, having 10,000 inhabitants ; a fine port has been created, eight lines of steamers call there, and in ten months no less than 1000 vessels entered the port.* The seaman has always spoken with dislike of flat coasts, where there

* Captain Clerk, in *Fortnightly Review*, 1869.

is no water for his vessel, and generally pronounces that it is impossible to cure such a defect. We have already seen with what diligence the enemies of the project urged this capital blot. We have already dwelt on the ridicule that was thrown on the idea of the channel to be formed between the enormous piers of stone projecting out to sea for five miles, and which were assumed to be indispensable. It was, however, admitted that the Canal would have to commence at some such distance, but the difficulty was not in the length, which the projectors were almost prepared to accept rather than sacrifice their Canal, but in the impossibility of finding firm ground to support such a work. The scientific prophecies of the *Edinburgh Review*, that as fast as the channel was dredged the sand would slip from beneath and the whole "tumble in," the treacherous quicksands insatiately swallowing up every stone—these apprehensions, as we have seen, were all chimerical, and a point was discovered in the rim of sand where fully 30 feet of water could be found within little more than a mile from shore.

There was already existing an opening in this rim made by the Nile, and known as the Ghimelah Mouth ; but a point was selected more to the east,

about five miles lower down. Here the Canal proper was to begin, and from this point we shall hurriedly examine the ground it was to traverse. We at once find ourselves at the great Lake Menzaleh, a shallow lake, which would have from four to five feet of depth, and in which for twenty-nine miles the Canal would have to be excavated. The mainland is then reached at Kantara, where for about three miles it proceeds across a small tongue of land which separates the great lake from a smaller one, called Lake Ballah. It would then have to pass through Lake Ballah, a distance of about five miles, and there reach a hilly tract extending for nearly ten miles, and consisting of a gradually ascending series of hills culminating in El Guisr, thought to be one of the serious difficulties of the work. This plateau was about ten miles in length, and rose about fifty feet above the waterline. This surmounted, comes Lake Timsah, where was to be the halfway port. Across this hollow it was now to proceed for four miles. Though called a lake it had long been dried up. It is now a great sheet of water, four miles long by three broad. Next was encountered a second plateau, that of Serapeum, stretching for about seven miles, its highest point being about five-and-thirty

feet above the level. It is plain, indeed, that these two plateaus are virtually one, interrupted by the lake. Had the Canal been carried forward in a straight line another stiff plateau, that of Geneffè, would have here to be encountered ; but by following the course of the lake and striking off to the right it was avoided. The distance through the Bitter Lakes was about twenty miles. After this bend the straight course was resumed, down to Suez, where another plateau, that of Chalouf, interposed. Though all these lakes are met with in the course, they could give scarcely any assistance, save in one instance, by sparing the labour of excavation. This exception was in the case of the basin of the Bitter Lakes, where a depth of twenty feet of water could be obtained without cutting for a distance of about eight miles. As the Canal now stands completed, there are sixty miles of passage through lakes, and forty miles cut in the land.

As regards the character of the soil, it may be generally stated that the higher portion, from Lake Menzaleh to about the middle, was formed of a sea-sand easy to work. The lower half was gravelly, with clay and sand ; while in the bottom of the Bitter Lakes was found a large deposit, six feet deep, of

crystallized salts.* This was proof that the Red Sea had formerly flowed over this basin. Near Serapeum a layer of gypsum was found, which in one place for a length of eighty yards increased suddenly to the extraordinary thickness of seven feet.† Such is a hasty sketch of the difficulties offered by the ground.

It may be mentioned here that though, by the concession, the Canal was required to run in an almost straight line from sea to sea, the question of arranging the channel was left an open one, and Mr. Maclean, the well-known English engineer on the Commission, submitted a proposal which was seriously considered, debated, and finally rejected. This was to construct high banks all along the course of the Canal, and raise the waterline almost to the level of these banks, confining the water between locks at both ends. The Canal being thus raised many feet above the level of the sea, no dredging would be required, while its bed would be sheltered from the sands by the high banks. But there

* "Conference," 1865, p. 84.

† Report of Captain Richards and Lieutenant Clarke, 1870. ("Blue Book.")

were obvious objections to this scheme ; danger of the banks bursting, or of the water infiltrating through the sand, to say nothing of the check on traffic owing to the locks at each end.

It will now be interesting to follow, in detail, the work of the engineers. They had wisely determined to commence with the entrance to the Canal from the sea, thus securing a base for their operations and a landing-place for supplies. The first point therefore to be considered is one on which much contempt had been lavished.

§ 2. *Port Said and its Channel.*

On the 9th of March, 1859, when this great work was begun, our projector could scarcely have trusted himself to look forward to the inauguration, almost exactly ten years later, when ships were steaming in splendid procession between the two long piers, and the whole channel was clear from end to end. The strip of sand on which the engineers stood was little more than five hundred feet wide ; over which, in stormy weather, the sea washed. Their plan was of the simplest. At first a light framing of piles

was run out, on which a crane and trucks laden with loose stones travelled; and in a short time a fairly substantial pier, that served as a landing stage for the various supplies of materials, machinery, &c., was constructed.

Encouraged by this success, a bolder work was ventured on, and with the same happy result. Far out in the bay at about a kilometre and a half distant from shore, huge piles were *screwed* into the sands, and an oblong island was there formed with stones, the space between the island and the wooden shore pier being gradually filled in. Every day the piles settled firmly in their places, in spite of the storms of the bay. This temporary structure was carried out to a distance of about 300 feet, and it was not until 1866 that the work was seriously resumed, and the breakwater joined to the pier. The appearance it now presents is thus described by two officers, appointed in 1870 to report on the whole, by the English Government :—

“ Port Said, though affording sufficiently good anchorage for small vessels, cannot be considered a harbour, either in respect of extent or depth, for vessels of large tonnage and great draught of water. It is formed by two rough, narrow, and low break-

waters, of unfinished appearance, enclosing an area of some 450 acres, with an average depth of only 13 or 14 feet of water, except in the ship channel leading to the inner basins, where the depth is from 25 to 28 feet. The western breakwater, which extends for 6940 feet at right angles to the shore, and is slightly curved to the eastward towards its extremity, was commenced in 1860, and carried out about 1300 feet; beyond which point, and at a short distance from it, was deposited a heap of stones that was surrounded by iron piles, and from its detached position was called 'The Island.' The work was then left untouched till 1866, when the breakwater was joined to the Island, and it was continued to its present length, and finished in 1868. From the mainland to the Island the breakwater is formed, on its inner side, of a bank of rubble stones, surmounted by a promenade, over which the spray breaks with a very moderate N.W. wind, and on the outer or sea front of concrete blocks; but beyond the Island to its termination it is entirely constructed of large blocks of artificial stone, composed of one part of French hydraulic lime with two parts of sand, and some of which were transferred to it from the eastern breakwater. This latter, which is also con-

structed of large masses of concrete, is of more recent construction; it extends about 6020 feet, and converges towards the western breakwater."

In presence of this fine work, thus easily completed, it is amusing to turn to the prophecy of the *Edinburgh Review*. "*Any constructions,*" it said, "*attempted so as to form an entrance for the Canal, will be swallowed up. Every block, every stone will be swallowed up, and we shall not see a single one above the water.*"

It was fortunate that this long artificial channel, made at such trouble and cost, happily served to obviate another threatened danger. It was apprehended, and not unreasonably, that the silting sands, and above all the amount of deposit brought down by the Nile, which was calculated at an enormous amount, would rapidly accumulate at the mouth of any port that might be formed. These long piers, therefore, stretching out at right angles to the shore, would act as a wall or barrier. Further, on making soundings it was ascertained that the sands extended out from the shore to a distance of 750 yards, beyond which was found a fixed muddy formation. As the sands were noticed to be gaining on the sea at the rate of about sixty feet a year, it

was reasonably urged that the silting was confined to the space, sheltered by the piers, and did not extend as far as the mouth. Captain Richards and his companions estimate this encroachment in ten years at 1220 feet, making an area of forty-five acres. During some periods, however, the silting has altogether ceased. How slight and remote any trouble to be apprehended from this source is, may be gathered from the fact that the "area included within a line drawn from the eastern end of the breakwater to the tangent of the beach line, about three miles to the westward, is 1400 acres."*

The piers, it is admitted, were constructed in rather a rough-and-ready fashion, and not with the neat and accurate finish which attends

* "As to any difficulty, say these officers, of approaching Port Said by steamships, under ordinary circumstances there is none; the coast is very low, but the masts of the shipping and the high lighthouse are conspicuous marks at a good offing, and it is only necessary to bring the latter on the bearing pointed out and steer for it. It is certainly not recommended to enter at night, unless with the aid of a pilot and under exceptionally favourable circumstances, or with a small vessel whose draught would permit her to anchor between the breakwaters, nor would it be prudent to run for the port in a gale blowing on shore. In this respect, indeed, Port Said may be considered under the same conditions as Alexandria; there is neither more nor less danger in the one case than the other, and in either there is sufficient sea room."

English submarine workmanship. The blocks were tilted into the water down an inclined plane, and not adjusted in their places by divers. Neither have the piers been made sufficiently high and broad. The result is, that with high winds and waves the sands are drifted through the interstices, or the sea washes over, bringing with it more sand. All this, however, is merely inconvenience, and a dredger working a single month in the year, can remove it. Connected with this question an interesting discussion arose, which illustrates how scientific reasonings can be made to throw light on practical points. Sir John Hawkshaw investigated this point—whether the accumulation was brought down by the Nile, or was the shifting sea sand—with great care. The question, it will be seen, was vital, as the Nile detritus descending in enormous quantities every year would be almost impossible to cope with.*

* "Captain Spratt is of opinion that a large amount of sand comes down the Nile and travels from west to east, past the entrance of the proposed Canal—that this sand would tend to choke up the entrance to the Canal, and that it would be very difficult to prevent this result by dredging. Captain Spratt is also of opinion that not only the sand on the shore at Port Said and in the Bay of Pelusium, but also that the pieces of broken pottery, which are

It had been said again and again that it would be impossible to form this pier from want of stone. It was declared triumphantly that there were no quarries

occasionally met with in those localities, are all from the Nile; and he is further of opinion that this sand cannot have come from the sea coast, because the rocks lying to the westward on that coast are calcareous, while the sands at Port Said and the Bay of Pelusium are silicious.

“On the other hand, M. Mougél Bey, a French engineer for many years engaged upon important engineering works in Egypt, among others, upon the great work of the Barrage, in his published reply to Captain Spratt's Report, asserts that the sand at Port Said comes from the sea, and that Captain Spratt is wrong in most of his conclusions.

“And M. Larousse, who was charged in 1860 by his Highness the late Viceroy to survey the mouths of the Nile, informed me that during the time he was so employed he made constant and regular observations of the matter deposited by the river, both in the interior and exterior of the Bars, and that he found it invariably composed of argillaceous particles, mixed with exceedingly fine silicious particles, which were totally different from the sands of the sea shore. From his observations M. Larousse draws the conclusion that the amount of sand brought to the sea shore by the Nile can only be very small, and that, consequently, the deposits of the Nile will not add much to the difficulty of the maintenance of Port Said.

“In order to determine the true state of the case, I collected sands from different localities, and had them submitted to analysis by an experienced chemist.

“The analysis shows that the sand near Alexandria is more calcareous than that in the Bay of Pelusium.

“But the mere establishment of this fact does not justify the con-

nearer than Lake Timsah or Suez, and it would be impossible to drag huge stones across the desert one hundred or even fifty miles. That even a journal of

clusion that the silicious sand comes, either wholly or principally, from the Nile, for though the rocks, which form the coast line near Alexandria, and are visible on the sea shore westward of that Port, and eastward as far as Rameleh, are calcareous, yet so also all the rocks, in the region of the Nile lying northward of a line drawn from Gebel Attaka to the Pyramids, are, with very small exceptions, calcareous. How much higher the same description of rock extends I cannot from my own observation say; but I have no doubt, for a considerable distance. If, however, they reach no further, it is evident that analysis affords no greater authority for saying that the silicious sands of the Bay of Pelusium come from the Nile than from the sea shore.

“In addition to the sand on the coast, I also had specimens of the calcareous rocks analysed, and the result proved that they contained silex.

“When first the abrasion of the rocks took place, the material would be chiefly calcareous; but as it travelled further from its parent rock, the calcareous matter would gradually disappear, whilst the silicious particles would remain. The fact therefore of the sand losing its calcareous character, is only an indication of age, and does not disprove its origin from calcareous rocks, any more than the circumstance of the flint shingle on the south coast of England, being found unmixed with chalk, disproves its relationship to the chalk cliffs of Dover or other localities, which contain the flint from which the shingle derives its origin.

“The river Nile, however, within the limits I have indicated, nowhere at the present day shows rocks upon its margin, nor is there any place within the same limits, except for a short distance, say 3 kilometres (about 2 miles) on the left bank near Rosetta,

reputation like the *Edinburgh Review* should be in ignorance as to the natural resources of a dreary and unexplored waste would be excusable ; but there

and for the same length below Damietta, where sand hills touch the river. The banks of the Nile are of the same description of silt as that which covers the cultivated portion of Lower Egypt. This bed of silt, however, overlies a deposit of sea sand.

“Now the Nile, which rises in highest floods at Cairo 8 metres (26½ feet), rises only 1 metre (3½ feet) at its mouths near Damietta and Rosetta, and a very considerable proportion of its waters are, below Cairo, led away by canals into the region of cultivation, and pass thence, through the shallow lakes that border the Mediterranean, into that sea. The consequence is that the surface of the Nile loses its declivity as it approaches the sea, its velocity therefore diminishes, and it is only the finer particles that are carried forward, with which it is, as it has been for years, extending its delta ; these fine particles are mainly of the same material as that which forms the surface now under cultivation.

“In my examination of the sea coast, I found that the soft calcareous rocks from near Rameleh, as far westward as I travelled, are being worn away by the action of the sea. Ancient tombs near Alexandria, cut out of the solid rock, have in consequence now nearly disappeared ; and east and west of Alexandria there are other indications of a similar kind.

“I also noticed, when following the coast, larger accumulations of sand and a greater quantity of broken pottery between Alexandria and the Bay of Aboukir, than exist anywhere between the eastern or Damietta mouth of the Nile and Port Said.

“It is just as probable, therefore, that the sand at Port Said comes from the sea shore, where there is an obvious source of supply, as from the Nile, where within an equal or greater dis-

is a recklessness in such positive declarations when accompanied by such absolute ignorance. It turns out that there were large quarries so near as Mex, close to Alexandria, whence the stone could be

tance there is none so visible. Some sand, however, may come down the Nile. The cultivated Delta below Cairo rests, as before mentioned, on a bed of sea sand, and a portion of it may occasionally find its way again to sea. But the process now going on seaward is probably more in accordance with that which formed the fertile land—viz., the covering of sea sand and other marine deposits by the fluvatile and lighter matter brought down by the river.

“The presence of pottery in the Bay of Pelusium may be accounted for in various ways. Lake Menzaleh abounds with the ruins of towns from which pottery may have found its way to the sea coast through the several mouths (Boghazes); or, what is just as likely, from the circumstance of the sea coast having probably for thousands of years been used as a highway, along which Egyptians, ancient and modern, have travelled, who occasionally, as is the custom at the present day, carried pottery with them. It is not surprising, therefore, that broken pottery should be met with on so ancient a route.

“The question, however, as to whether the sand found in the Bay of Pelusium comes down the Nile or from another source is a subject interesting more as a scientific inquiry than as a point influencing the decision of the question affecting the Canal. It is not very material to the discussion to determine whether all the sand comes down the Nile, as Captain Spratt supposes, or from the sea, as is the opinion of his opponents; but as the question has been made a prominent feature, and has been much discussed in connexion with the Canal, it was necessary to make a few

conveyed by water.* The contractors, however, fell back on their own resources, and found it more convenient to manufacture the stone on the spot, so that, granting the existence of the difficulty, the possibility of such a device never occurred to the objectors. These blocks were about twelve cubic yards in size, and weighed some twenty-two tons each. They are formed of a mixture composed of two-thirds sand and one-third "hydraulic lime," imported from Theil, in France. These elements being worked together by machinery, with salt water,

remarks thereon. Evidently the important question to the Canal is to ascertain—

- a. Whether the sand travels from east to west, or in the contrary direction.
- b. Whether or not it travels in large quantities.

"My investigations have led me to the conclusion that whilst some small quantity of sand—by which I mean silicious particles large enough to constitute such sand as is met with at Port Said—may find its way into the sea from the Nile, a larger quantity has been and is still being brought by the sea itself from the abrasion of silicio-calcareous rocks which form part of the coast, and that probably the greater portion of this sand is merely the continuation or visible margin of that which, as before mentioned, lies under the muddy deposit of the Nile. And that whether the sand come from one or both sources, there is no doubt that it travels from west to east, and the quantity that finds its way past Port Said is not large."—*Report of Sir J. Hawkshaw*, p. 22.

* "Conference," 1865, p. 10.

are run into great moulds, allowed to harden, and were then allowed to slide down below water. Nearly 30,000 of these blocks were used, each costing about 16 $\frac{1}{2}$ l. The whole has continued as firm as any structure of the kind in Europe, and is consolidating with every year.

The passive hostility of the smaller officials threw many obstacles in the way. The drinking water for the workmen had to be carried in barges all across Lake Menzaleh from the mainland after being transported from the Nile on camels and donkeys, of which some three thousand were employed. These the officials as well as the natives often stopped on their way. On some occasions the supply failed. When the news reached our projector, who was at Alexandria, he at once freighted a steamer with sets of distilling apparatus and a staff of workmen, and for the future made his parties independent of native supplies. This opposition went even further, and it was found that the inhabitants who assisted the agents of the Company were frightened with threats, and sometimes beaten.

§ 3. *Lake Menzaleh.*

The next stage in the work was the carrying the Canal across ~~the~~ Lake Menzaleh, a distance of about twenty miles, from Port Said to Kantara, the first point on the mainland. This large tract was little more than five feet deep, while below the water was slob, formed by the rich Nile deposit. Here the opponents of the scheme had decided that the scheme must break down, for the reason that when the Canal was scooped out the bottom would not hold water, the shifting mud or sand sucking it all up like sponges, and the cutting would be as porous as the pitchers of the Danaides. There was a speciousness in this declaration that invited acceptance. Further, the Canal banks resting on such a treacherous foundation, would melt away through their very weight. An admitted difficulty, too, was the removal of the stuff, which was liquid mud, and when applied as material for banks would dissolve away as fast as laid down. But for this a special kind of labourer was found in the natives dwelling on the banks of the lake, a patient, strong, and laborious race,

who were accustomed to "treat" this mud. The mode they adopted was simply to scoop up large masses, out of which they squeezed the water by pressing it against their chests ; then they laid it in lumps one on the other. By this laborious process a small channel not more than twelve feet wide was formed, which was quite sufficient as a beginning, or engineering "sketch," as it were ; for one of the ingenious parts of the well-considered system was to begin by making a sort of toy-channel from end to end only a few feet deep, which was to serve as a water-road for the purposes of transport for carrying on the works, and this was to be gradually deepened and enlarged. Thus, in the Lake Menzaleh section, as soon as the small cutting was ready, dredgers were set to work, whose operations soon reached below the mud to a stiff clay. This it discharged upon the banks at each side, raised and widened them, and allowed the Canal also to be widened to its proper extent. The simple precaution of allowing the discharge of slob and clay to dry in the sun before another layer was added gave cohesion and solidity. There were many disheartening incidents owing to the gales and storms that rose at times, and swept away portions of the banks ; but

these casualties were promptly repaired, and only caused delay. When finished, these banks stood about six feet high above the water. Thus the sun co-operated, and baked the whole into a firm, solid mass, so firm that the banks were used as roads, on which heavy loads were transported. So much for the anticipated Danaides pitchers, and "the treacherous slob" which was to suck up everything laid upon it.

§ 4. *The Plateau of El Guisr.*

Having now reached the mainland, there were about two miles of channel to be made, when they found themselves at Lake Ballah, an irregular swamp, almost dry, and through which the cutting had to be carried for about eight miles. Here the soil excavated was found to be gypsum, which when used for the banks cracked and decomposed, so other materials had to be carried from some distance. But when they had done with the slob and plaster, they had to encounter difficulties of a more serious kind. A huge plateau, known as El Guisr, stopped the way, and here, said the opponents, "one of the most disastrous surprises" awaited them. English

navvies would soon make a cutting through such an obstruction ; but this series of hills was all sand. No art can maintain a cutting through sand, as any one can satisfy himself by simple experiment on a table, for as soon as any portion is taken out, the rest falls in by its own weight, and fills up the space. The workmen, it was urged, would infallibly be buried alive. All this again was proved to be a delusion, and by the time the Canal was completed, fifty millions of cubic yards were excavated. "El Guisr lies four miles south of El Ferdane, and the cutting had to be made to a depth of nearly seventy feet. Three lines of tramway were laid down, and six large engines and 250 waggons accomplished the work, which was completed by the contractor, M. Couvreux, by January, 1868, six months under the contract time."* None of the anticipated evils occurred ; the banks gradually consolidated, as, indeed, one might have anticipated, as the great works in sand made along the Belgian and Dutch coasts.

Though it was not until 1868 that the excavation

* Captain Clerk, *Fortnightly Review*, *supra*. Very attractive advantages were, however, held out to the contractors who thus anticipated the term of the contract.

of this plateau was completed, it was made passable so early as 1862. For the wise system, as already stated, upon which the progress of the work was arranged, was to have it open in some shape so as to hold water—were it only enough to float a skiff. But water once present, a most powerful mode of excavation could be employed—viz., that of steam dredging, which would enlarge the Canal to any extent desired.

But again it was urged: granted that something like a trench across the Isthmus can be made, how are the terrible tornadoes that sweep across the land, the whirlwinds that bury an object in an incredibly short space of time, choking up the cuttings, to be encountered? It was admitted that such visitations did prevail, but it was significant that such natural depressions as the Ballah Lakes and Lake Timsah had not hitherto been filled up. The sagacious Frenchman noticed that this was owing to certain protective banks, formed by these very whirlwinds, and which grew with the violence of the attack; and it might fairly be assumed that the artificial banks all along the Canal might operate in the same way. But, in truth, the whole was merely a visionary danger, and the two English officers who made the report of

1870 acutely concluded that the condition of the small Sweet-water Canal would be a fair test of what the larger Canal would be exposed to, and they found that the decrease in its depth during a period of seven or eight years was "insignificant."

"From Suez," says Sir J. Hawkshaw, "to the northern end of the Bitter Lakes, those sands lying adjacent to the Canal are generally so compact, being often covered with small gravel, as to prevent their shifting in any important degree, and there will be no moving sands to affect the Canal where it passes through Lake Timsah, Lake Ballah, and Lake Menzaleh.

"The only portions of the Canal, therefore, likely to be affected by drifting sand, are those which will extend from Lake Timsah to Lake Ballah, about $22\frac{1}{2}$ kilometres (14 miles) in length, and a portion near Serapeum, say for about 14 kilometres ($8\frac{1}{2}$ miles) in length. Altogether, the portion of the Canal liable to be so affected will not exceed $36\frac{1}{2}$ kilometres ($22\frac{1}{2}$ miles).

"M. Villers, who is the engineer of the works of the Canal from Lake Timsah to Lake Ballah, and where the excavation of the Canal has already been formed of sufficient depth to arrest moving sand, informed

me that from the 1st January to the 23rd November, 1862, 30,000 cube metres (39,000 cube yards) only of blown sand found their way into the Canal, and he was of opinion that when the works were completed this quantity would be greatly diminished, and I certainly see no reason why it should be increased.

“Assuming a proportionate quantity to that measured by M. Villers to find its way into the Canal in the other 14 kilometres ($8\frac{1}{2}$ miles) near Serapeum, the total amount of deposit from this source would be about 47,500 cube metres (62,000 cube yards) in a year.

“But in addition to this, some sand will find its way into the Canal from the slopes. Assuming the quantity of deposit from this source to be equal to that from blown sand, then the total quantity arising from drifting sand, and from the slopes, and from the sea water that enters the Canal, to make up the loss from evaporation and infiltration, will amount to 153,500 cube yards annually.”*

Another objection that was insisted on was that the banks would be all eroded by the action of the steamers. “A careful examination,” say the English

* “Report,” p. 20.

officers,* "of the Sweet-water Canal, which runs for many miles parallel to and through the same soil as the Maritime Canal, showed that during the seven or eight years since its formation, though it has been once cleaned out, its section has been but little affected by the erosion of its banks from passing vessels (and the traffic on it is very considerable). With reference to the former, we found that from the nature of the soil, and this of course applies to that of the Maritime Canal, which contains lime in large quantities, the banks below and a little above the water become hard and encrusted, and the ordinary wave or wash from a passing vessel, going at moderate speed, disturbs the surface but little, if at all. Observations in the Maritime Canal showed the same results, more especially where the banks were steep and on a good incline, for there it was noticed that as the wave rose and fell, the water coming off them was not discoloured, nor did it bring back with it any sand or mud ; but along those portions of the Canal where on either side wide berms or horizontal benching have been left a little above or below the surface level of the water, considerable

* "Report," p. 9.

agitation of the soil took place, particularly when the vessel proceeded at a speed exceeding four knots, and the wave rolled off the banks heavily charged with the detritus of these berms, and much discoloured. We regard this, in point of construction, as the least favourable feature of the entire work; and though in time, when the banks shall have assumed their natural sections, this disturbance may cease, yet till then, some little silting, necessitating continuous dredging operations to keep the centre of the Canal to its normal width and depth, will be the result. Through these parts of the Canal, as indeed throughout its entire course, except in the larger Bitter Lake, the speed should never be permitted to exceed four or five knots per hour, a rate which, under all ordinary circumstances ruling the transit of a ship from sea to sea, is sufficient to insure correct steerage." It should not be forgotten that the works had been directed by M. Conrad, a Dutch engineer of waterworks, to whom all such objects were perfectly familiar.

§ 5. *The Fresh-water Canal.*

One of the most interesting features of this great scheme, was the "Fresh-water Canal." Indeed, no-

thing is more admirable than the thorough and symmetrical fashion in which the whole was worked out by the skilful projector. This conduit entered into the secondary or less direct purpose of the plan, and its importance has long been overlooked. Besides furnishing a grand cosmopolitan waterway across the Isthmus, the Company proposed acting as improvers and irrigators of the land, as they were themselves holders of vast tracts of territory; their Fresh-water Canal also served to supply the workmen. Thus the old idea of the Egyptian canals, which served for the communications of the country, as well as for supplying it with water, was carried out as an essential element of the scheme.

There was great skill and ingenuity shown in the manner in which this conception was worked out. Many naturally fancied that there was a sad waste of labour and expense in this double system of canals; and it seemed hard that the enterprise should be weighted with an extra cutting. It was contrived, however, in the following way.

The first idea had been the rude one of a stream of fresh water from end to end, carrying the Mediterranean water along the track of the Maritime Canal. But a more advantageous project was soon

conceived. It was found that only half of this conduit need be made, for while the northern portion of the larger Canal was in progress the workmen were supplied from the native sources, and by distillation. The embarrassments of carrying on a vast undertaking, where from 15,000 to 20,000 labourers were employed, without a supply of water, seemed unconquerable. Even Suez was without a supply of its own; and so late as 1862, Sir John Hawkshaw witnessed trains conveying great iron tanks passing all day long between Cairo and that town.

If then, while this northern half of the Canal proper was being made, the portion of the Fresh-water Canal from lake Timsah down to Suez was also being constructed, the result would be that there would be "through water" communication of some description along the whole route from end to end.

On the principle that the same length of fresh-water, or perhaps a little more, could be made infinitely more profitable as a permanent benefit to the country, instead of being a mere convenience to the workmen, it was determined to bring the water from the centre of the country across to the east, where it would meet the Canal, or the portion of it that was finished, at right angles, and thence make a con-

tinuation of it southward. It started from Zagazig, which was close to Buseis or Bubastis, and took its course across the country for fifty miles. Reaching Lake Timsah it joined the northern portion of the sea Canal, from which it was separated by a double lock. This was necessary, as the level of the Nile is some seventeen feet above that of the sea. This portion of the Fresh-water Canal was an important work in itself, being sixty feet in width by eight in depth. Above the locks an arm branched out southwards, which maintained the same level. The northern portion, therefore, was on a different level from the southern.

It had been agreed that this Fresh-water Canal should be undertaken by the Egyptian Government—one of those favourable arrangements for the Company which the good nature of the Pasha had conceded. Though it was for the advantage of the country, it was really a part of the construction. However, after long delays, M. de Lesseps saw that the Company itself must take it in hand, and a new and more favourable agreement was entered into, by which the Company undertook to construct it at the cost of the Government. Its easterly course served their interests, as they had purchased

the domain of El Ouady for 80,000*l.*, and the Canal was to water this property ; and when the Pasha, Mohammed Said, came to inspect the works at the close of the year 1860, the fresh water had been brought across the country as far as Lake Timsah, while the works of the main Canal had reached the foot of the plateau El Guisr. Good progress, certainly, for the time employed. But the Nile and Mediterranean were not destined to mingle their waters here, though the river was to make its way to the Red Sea.

The course of this conduit, as it runs at present, takes the shape of an arc. It starts from Cairo, ascends to Ras el Wadè, and descends again to Suez, after shooting out a little branch to Lake Timsah. Originally, however, advantage was taken of a branch of the Nile, which, as we have seen, came from near Zagazig ; but as this source was attenuated and liable to run dry, from having to pass through many channels, it was later determined to draw the water from the main stream itself at Cairo.

The short length of canal joining Lake Timsah and Ras el Wadè was likewise twenty miles ; it was eight feet deep and about sixty wide. Its cost was

28,000*l*. The portion from Timsah to Suez was about fifty miles in length, and that from Cairo to Ras el Wadè fifty-six, the cost of both being estimated (in 1862) at 280,000*l*. The total outlay for this useful work was to have been 310,000*l*,* but its benefits have been incalculable. It is now used as a waterway as well as a conduit, bringing life and animation, health and business, and we shall see later on how it has transformed the face of the country.

So soon as the upper portion had been completed, the arrival of the Nile water at Lake Timsah was turned to profit.† A water tower was erected, and a steam engine set up at the great plateau of El Guisr, capable of pumping up 1500 cubic metres a day. Pipes were then laid down along the banks, with hydrants at every kilometre, and thus the water was conveyed to Port Said, where the wants of 20,000 inhabitants are now supplied. Thus in every direction we shall find this readiness of resource, which, as has been said, distinguishes French engineering.

* Sir J. Hawkshaw's "Report," pp. 7-9.

† Lake Timsah was not filled until 1867.

§ 6. *Ismailia.*

A few miles bring us to what we have called the halfway port of Ismailia, having thus traversed the upper and perhaps least important section of the works. The lower section was for a long time unattempted, and the obstacles encountered at the Cairo Court after the year 1862 seem to have damped the energies of those engaged. Nothing is more wonderful than the change produced in this desolate spot since that year. Seven years later it had burst into a brilliant French town, a quay running along the edge of the lake. "The new town of Ismailia," says a visitor in 1869, "has now more than 6000 inhabitants, of whom more than a third are Europeans. Two hotels, four or five cafés, a theatre where vaudevilles are performed with spirit, a pretty Catholic chapel, a mosque for Arab workmen, a hospital and a telegraph-office, a long and well-built street with numerous well-stocked shops, a large square, and a public garden planned by French taste and cultivated with French assiduity, a fountain supplied with Nile water—these are the features which attract the attention of the stranger as he wanders through the town. The

rapid increase of vegetation since the fresh water was brought to Ismailia has been attended with a great improvement in the climate. At the present time Ismailia, during eight months of the year, is probably the healthiest spot in Northern Egypt.

“The heat of its summer is intense and almost intolerable; thermometrical observations taken during 1867 and 1868 show that the mean temperature of the four months, beginning with June and ending with September, was 94 deg. Fahrenheit, and that 120 deg. in the shade was not an uncommon record, while the minimum of night was 75 deg. The mean temperature of the succeeding four months was 74 deg.; and the winter, if so it can be called, proved that the lowest range of the thermometer was 45 deg. Until two years ago rain was unknown, but in the twelvemonth ending April, 1868, there were actually fourteen days on which rain fell, and no later than three weeks ago fell a tremendous shower of rain, a phenomenon which the oldest Arab had never previously witnessed. The scenery about Ismailia is monotonous, but it can scarcely be regarded as uninteresting. Cloudless skies of the richest blue are contrasted with the vast expanse of

yellow sand which stretches away into a hazy distance. The dark waters of the lake sparkle and flash unceasingly, for there is always a fresh breeze to temper the extreme sultriness. The desert is susceptible of many shades and transitions of colour, sometimes so gradual as to be scarcely perceptible, often so sudden and mysterious that it is hard to understand by what subtle atmospheric changes such strange effects have been produced. At Ismailia the stranger can fully realize the balm and beauty of the Egyptian night; and, sitting on the balcony of the Hôtel des Voyageurs, which commands the view of Lake Timsah, he may watch the moon rising slowly in a silver dawn, while the rosy tints of the sunset are still lingering in the west. About three miles to the south, on the line taken by the Canal, twinkling lights mark the positions of the dredges, and in less than a year to come, if the hopes of the President of the Company be fulfilled, the graceful outlines of the largest and swiftest steamers will give additional animation to a picture which even now possesses a peculiar charm."

It seems extraordinary how this wonderful man could have been able to organize and develop so many departments of his scheme. It can be seen

now how fruitful it was in many ways, and that the Maritime Canal was but a portion of it.

By the end then of the year 1862 it was not difficult to take stock of such work as had been accomplished. A communication between the Mediterranean and the Lake Timsah had been opened, and partly by dredging in Lake Menzaleh, and partly by excavating between that lake and Lake Timsah, a water-way sufficient for flat-bottomed boats of small draught had been contrived. A small portion of the western jetty at Port Said had been constructed, and houses and workshops had been built at Port Said, Timsah, and El Guizr. The sums expended amounted to 1,984,000*l.*, to be reduced by the value of plant, lands, &c., to 1,220,000*l.* Captain Clerk states that the drift was principally found to occur in the cuttings, like those of El Guizr and Serapeum; reaching in the former to the amount of 52,000 cubic yards annually, that in the latter to as much as 392,400 cubic yards may be expected.* By-and-by, however, when all these embankments have been planted, and the land about it has been brought into cultivation, the

* *Fortnightly Review*, 1869, p. 211.

driftings will disappear. The same intelligent reporter states that the amount of dredging for this cause that the Company in 1869 calculated upon as an annual charge, was set down at 520,000 cubic yards. As this was one quarter of the amount they accomplished every month during the construction, it could not be a very serious burden.

§ 7. *Serapeum.*

Passing over for the present the various interruptions which the works encountered, we may now complete our survey of the whole Canal.

The lower section offered less difficulties, as well from the familiarity of the labourers with the work, as from what has been already referred to, and the introduction of a different mode of excavation. This was offered by the Fresh-water Canal, which now had touched Lake Timsah. Its level was indeed some fourteen feet above that of the sea as well as of the future Canal—which might have seemed an awkward difficulty; but this was easily got over by a system of two locks, which united with the Canal above the lakes. When Sir J. Hawkshaw visited the works in 1862, he found the continuation

of the Fresh-water Canal from Ismailia to the coast being prosecuted, nine thousand men being employed upon it ; and he was led to believe that it might be finished within a few months. The waterway from end to end would be thus available for the transport of materials, and it was proposed to use them for carrying stone from the quarries of Geneffè up to Port Said. But it was to serve another purpose. It will be recollected that this portion of the Canal comprised a cutting through two plateaux—those of Toussoum and Serapeum, then a passage through the Bitter Lakes for twenty-four miles ; then a last cutting through the Chalouf height, after which came a level sweep of twelve miles to Suez.

It was thought that by forcing the Fresh-water Canal into the barely indicated channel of the Maritime Canal, so far at least as the first plateau, the dredgers might be introduced. Sir John Hawkshaw was strongly opposed to this plan on the ground that they would require all their dredging power for the upper and more advanced section, and from the danger of encountering rock, which it would be difficult to deal with under water. He was strongly impressed with this conviction from the presence of the rocky promontories before alluded to, that

stretched away eastward, and might discover themselves below. Borings had indeed been made all along the Canal at regular intervals, but he urged that nothing was more capricious than the result of such experiments.

With much exultation De Lesseps in 1865 told his Lyons audience, "that during the eight years they had been exploring and working the line, almost foot by foot, they had never come upon a single layer of rock—unless it might be a very friable marl in the El Guisr cutting." He was also inclined to confess that close to Suez, in the Chalouf cutting, they had encountered a regular ledge of rock, but that the engineers had made a short curve and avoided it. In this pleasant strain he was wont to be merry at the expense of such prophets as Sir John Hawkshaw. But the latter's sagacity was vindicated in what had nearly proved to be a disastrous fashion. For at the last moment, on the very eve of opening the Canal, a mass of rock was discovered which had escaped notice, and which by extraordinary exertion was removed. And it will be seen presently, that a stratum of rock was concealed in the Chalouf cutting, exactly as Sir J. Hawkshaw had predicted. It was stated, however, that the cutting in the Serapeum

plateau offered the most extraordinary difficulties, which the contractor was unable to overcome. Manual labour having failed to make the enormous cuttings, the contractor almost gave up the project in despair, and returned to Cairo to think it over. After a few days' meditation he called his assistants, and said, "I have thought of the means of disposing of the Serapeum; we can do it with our dredges." He banked up the Canal at the point to which the Mediterranean water had been brought, scooped out the remainder to a certain depth by manual labour, banked this up at the end next the Bitter Lakes, and turned the Fresh-water Canal into the excavation. "Then," says Captain Clerk, "the dredges were brought into play—dredges which were originally forwarded by means of the Maritime Canal from Port Said to Ismailia. There they were passed through the locks into the Fresh-water Canal, which raised them seventeen feet above the sea-level. A cross-cutting was then made from the Fresh-water Canal to the line of the works on the Maritime Canal, by which the machines were floated into their respective positions at this superior elevation. The dredgings were conveyed by lighters into large artificial lakes, which have been formed for this special pur-

pose in close proximity to the Maritime Canal. These lakes were made in November, 1866, the level of the Nile then being at its highest point at that season. They contain upwards of 5,000,000 cubic yards of water, and are capable of receiving 2,800,000 cubic yards of dredgings. The lighters here employed have a very shallow draught of water, and wide overhanging sides, out of which the dredgings are discharged. When these dredges (of which nine are here at work, two *à long couloir*, and seven with lighters) have dredged to the requisite depth, the communication with the Fresh-water Canal will be closed, and the dam in the line of the Maritime Canal removed. By this means the level of the fresh water will fall to that of the sea-level, and the dredges, descending at the same time, will continue at work in completing the channel to its prescribed depth. The water having got thus far, having first come to Lake Timsah, then on to Toussoum, was not allowed to proceed farther, and until the time of opening the dam was retained in its place. The rest of the work was excavated *à sec*."

§ 8. *The Bitter Lakes and Suez.*

These, as was before noticed, are the only waters along the line deep enough to save any labour; though this assistance was but paltry, there being an extent of only eight miles where the natural depth exceeded what was required. The lakes include the Greater and the Smaller, and are large expanses of water. The Greater Lake is embanked at its northern and southern portions, the centre being marked with buoys. On this section at one time no less than 3500 men were employed. It was at the bottom of these lakes that there was found that extraordinary bank of salt seven miles in length by five in breadth, and which, it was feared, would have to be dealt with like rock. However, it turned out that it was easily dissolved.

After this came Chalouf hill, which gave much trouble, and the cutting through of which was left almost to the very last. It was fortunate that the system of dredging had ^{not} been thought of here, since after excavating very deep an enormous mass of rock was reached, which below water it would have been a costly affair to remove; 52,000 cubic yards of this

material were removed by blasting.* Fossil remains of sharks were found. As the time drew near for the opening, the work was pressed on with redoubled vigour. "Thousands of men were employed—Dalmatians, Greeks, Croats, negroes from Nubia, and Egyptian Fellahs, all superintended by French officers. These gangs of men were regularly organized and paid according to the cubic feet of earth they dug out, some earning five or six and others only two or three francs a day. The works were pushed on with great rapidity, steam-traction on railways, asses, mules, men, and camels, all contributing towards their completion."

Twelve miles more bring us to the end of the journey to Suez, the few miles near the sea were dredged, and, strange to say, in fresh water; a junction being made with the Fresh-water Canal, the whole being dammed up. This fresh water made the dredgers independent of the tides.

The native Egyptian might rub his eyes and think an enchanter had been at work as he looks on this town, changed within a few years from a miserable squalid settlement. Now there are great sea works,

* Captain Clerk, *supra*.

piers, quays, sheds, dry docks, warehouses, railways—all laid out on the most spacious scale. "Not more than four or five years ago," says Captain Clerk, "Suez was an insignificant Egyptian village, containing 4000 inhabitants, but exhibiting no signs of life, except when the steamers of the Peninsular and Oriental Company, and subsequently those of the Messageries Impériales, were embarking or disembarking their passengers and merchandize. The absence of water, and the dearness of provisions, both of which had to be brought from Cairo and the surrounding districts, rendered it as uninviting a spot as can well be imagined. The advent of the Fresh-water Canal has brought about a marvellous change. The population has now increased to 25,000, and there is a degree of life and activity about the place clearly indicating the energy that is being displayed on all sides. The principal operations of the Company consist : firstly, in constructing a mole, 850 yards in length, at the mouth of the Canal, to serve as a protection against southerly gales, and against the action of the tide at high water ; secondly, in dredging to the requisite depth the channel leading from the Canal to the anchorage in the Roads of Suez ; and thirdly, the reclamation

of land. The mole, which projects from the Asiatic shore, is now nearly completed. It has been constructed with a kind of calcareous rock, which is quarried on the western shore of the bay. After entering the sea, the embouchure of the Canal gradually widens to about 300 yards, and the depth in this portion is to be 27 feet. No rock has been found to interfere with the dredging, and but little work remains to complete this important part of the Canal. Regarding the third and last point, the dredgings from the channel in the Roads of Suez are employed for this purpose. Embankments, faced with the same kind of stone that has been used for constructing the mole, are first built. Alongside are moored dredges *à long couloir*, and by means of these ducts the dredgings are lodged behind the retaining embankments. This process is continued till a considerable elevation above the sea-level is obtained. Much land has already been reclaimed and built over, and the area is daily being extended. At a future date this property, of about 50 acres, will become of great value to the Company, for the requirements of shipping on its way through the Canal.

“On the south-western side much has been also accomplished. One important work is the dry dock,

which has been in use some years. This work was not carried out by the Maritime Canal Company. An arrangement was entered into between the Egyptian Government and the Messageries Impériales Company, by which the latter undertook to complete it for 240,000*l.*, with the following dimensions :—Length 415 feet, width 85 feet, and depth 29 feet, thus affording docking accommodation to the largest class of steamers. On the harbour side a double basin has been made, where there is a sufficient depth of water for vessels to lie alongside. Of the two piers already constructed, one is reserved by the Egyptian Government for their exclusive use ; the other, on the northern side, is free to all, and they are directly connected by a railway, running along a jetty three-quarters of a mile in length, with the present terminal station in Suez. Passengers and merchandize will thus pass from the train into the steamer moored alongside the quay.”

§ 9. *Mode of Working.*

When our projector at a late stage of the works was deprived of the assistance of the forced labour, he set to work to reorganize his operations on a new

system. The line had been let out in portions to great contractors, one of which was taken by an Englishman named Ayton, and other portions by MM. Borel and Lavalley. By the loss of the native labour these arrangements were thrown into confusion, and from the increased expense it was found impossible to carry them on. The Englishman became bankrupt, was released from his engagement, and his share, and indeed the chief burden of the whole fell into the hands of the French contractors just named and M. Couvreux. One of these contracts was for no less a sum than four millions sterling. The increased cost amounted in one instance to a difference of a quarter of a million.* To compensate, however, for this loss, was the indemnity awarded by the Emperor, amounting to a sum of about a million and a half sterling.

The curious spectacle was now witnessed of a rush of able-bodied European workmen, arriving from all parts of Italy, Belgium, France, England, to give their services.

"Most of the workmen," says Captain Clerk, "are again *les indigènes*, but coming now as

* "Conference," 1865, p. 74.

volunteers, and attracted by the good and certain wages which they can earn. The greater part of the excavation is accomplished by piece-work, from which excellent results are obtained. The engineers measure the quantity of earth to be removed, and name the price that will be paid for the work, making due allowance for the nature of the soil, and the distance it has to be transported. All requisite implements are provided by the Company. The price is such as enables the labourer to earn from 1s. 6d. to 2s. 6d. a day ; but usually he manages to make more than the minimum sum, and generally has completed his task before the stipulated time. Gangs are formed, as much as possible, of men of the same nationality. The prospect of speedy remuneration acts as a powerful incentive to zealous labour. The indolence of any one member of the gang would cause confusion and delay in the regular circulation of the tram-waggon and carts ; the men, therefore, take good care that all the members of the gang perform their fair share of the allotted task. At first there was some difficulty in getting the *indigènes* to use the wheelbarrow ; so much so, that some commenced by carrying them on their heads. They were in the habit of using either a small

basket, holding only a few handfuls of earth ; or one shovelled it into a sack, whilst another carried it away. As for their nightly accommodation, the *indigènes* are easily satisfied. They procure two planks, which they place on the ground in the form of the letter A. Wrapped in their blanket, they creep into this triangular space, and thus make out the night quite to their satisfaction. The French have, not inappropriately, given these primitive abodes the name of ' Bonnet de police.' "

Mechanical devices, as will be shown presently, of great originality and power, that supplied after wants of human labour, were soon at work. Among these were some novel machines known as *Elevators*. M. Voisin was the chief engineer at the time, but the work was fortunate in having as chief contractors two men of extraordinary energy and fertility of resource, Borel and Lavalley, who took over the work in 1865. They came to the task under every disadvantage, had to establish their own workshops and set up machinery all in the desert. These clever men saw at once that the new difficulties as to procuring labour, and the limited time allowed by the contract, could only be overcome by the aid of machinery of the most daring and novel kind, and

powerful in its effect. They accordingly devised those extraordinary dredges which have been the admiration of engineers, and these inventions show the admirable fertility of resource that regulates the work of foreign engineers, who devise machinery to suit the difficulties of each stupendous work. Whereas in this country, the objection is often made to such undertakings that engineering does not furnish means to accomplish it. However this may be, the Mount Ceniz Tunnel and Suez Canal are excellent instances in point, the difficulties themselves prompting the discovery of means to overcome them.

No one who has seen an ordinary dredge at its slow work in an English river could have an idea of the bold fashion in which the principle was now applied. "These dredges," says Captain Clerk,* "vary in size, according to the work for which they are required, and the ulterior disposal of the dredgings. Those more recently constructed are much larger and more powerful than those at first employed. The lesser ones are 15-horse power; there is also an intermediate size; and then follow the largest machines of 75-horse power, 110 feet in

* *Fortnightly Review*, Jan. 1869, p. 97.

length, with 27 feet beam, and having their drums 48 feet above the water-line. The cost of these is 20,000*l.* each. If the dredgings are required, as at Port Said, for reclaiming land, or for making concrete blocks, when raised from the water they are made to fall into large boxes, having a capacity of four cubic yards. Seven of these fit into a barge, which is moored under the spout of the dredge. When all are filled, the barge is floated under a steam crane, by which the boxes are lifted out and placed on trucks, running on tramways. On arriving at their destination, one end of these boxes opens on hinges, and the contents are thus readily deposited. The greater portion of the Port Said dredgings are, however, conveyed in large sea-going barges (twin screws of 30-horse power) some four or five miles out to sea, and there dropped into deep water. These barges are 140 feet long, with a beam of 23 feet. The dredgings are discharged by means of twelve trapdoors, at the bottom of the barge, the opening and closing of these being regulated by chains. These barges are in use in the ports, and in some of the lakes; but a large proportion of the dredgings is discharged from the machines into either an apparatus which has been named the *long*

couloir (long duct), or into the *élévateur* (elevating duct).

“ One of the most important machines is the *long couloir*. These *couloirs* vary in length, the longest being about seventy-five yards. Their shape is that of a semi-ellipse, five feet wide and two feet deep. They are supported by a tall iron framework resting on the deck of a barge, ninety-six feet long by twenty-eight feet beam, and drawing six feet of water. The slope of the duct is inclined according to circumstances. The dredgings, when dropped into the elevated end of the long duct, are assisted in their downward progress by a strong current of water, which is supplied by a rotatory pump worked by a separate engine. In addition to this, when the dredgings are found to be of an excessively tenacious nature, *balayeurs* (scrapers or sweepers) are employed. This apparatus consists of an endless chain which is made to pass along the centre of the *couloir*; on this scrapers are fixed at intervals, fitting the shape of the *couloir*. The dredgings are acted on by these much in the same manner as the floats of a paddle act on water. With the assistance thus given, and the current of water, the *long couloirs* can deliver their dredgings almost on the horizontal line.

This application of water-power has proved a most useful adaptation to the general requirements for the disposal of the dredgings, and has amply compensated for the slight extra expenditure which it at first entailed. Besides facilitating the discharge of the dredgings from the lighters, when thus reduced to a semi-liquid condition, it also, in a great measure, prevents the soil from sticking in the joints of the trapdoors, which necessarily fit with great nicety. Another most useful result is that it causes the dredgings to spread themselves over a more extended surface, and in consequence it settles down firmly, and at a low angle. The longest *couloirs* are used with the largest class of dredging machine. The upper end is then about twelve yards, and the lower about six yards, above the water-line: thus easily clearing the low banks previously formed by the smaller dredgers, when excavating the channels in which these large machines are intended to work. The float which supports the *long couloir* is fastened by chains to the hull of the dredger. By this means the direction of discharge, as also its distance from the bank, can be readily altered. With the aid of a *long couloir*, a dredger can work in the centre of the Canal; and by one movement the dredgings are

deposited at a considerable distance beyond the water-line, on either side, as may be required.

“ The shorter *couloirs* are placed on the dredging machine itself, and are balanced by a counterpoise on the opposite side. In situations where the advanced stage of the works brings the dredgers too far below the summit level of the embankments to render the *couloir* any longer available, the *élévateur* is introduced. This machine somewhat resembles in principle the one just described, but the inclination of the plane is in the opposite direction—that is to say, upwards instead of downwards. This duct consists of an inclined plane, about fifty-two yards long, and carrying two lines of tram rail. The inclination is one in four, and it is supported in the middle by an iron frame, which rests on a carriage, running on rails laid for the purpose along the bank of the Canal, at an elevation of six feet above the water-line. The lower end of the *élévateur* reaches over the water, where it is again supported on a steam float. When this machine is at work, the lower extremity of the duct is three yards above the water; whereas the upper end is about fifty-two yards distant, with an elevation of twelve yards, thus reaching over the embankments. A lighter, containing seven

boxes of dredgings, is floated under the lower extremity of the *élévateur*. Each box is raised in succession on to a truck by an endless steel-wire rope, which is adjusted in a few seconds, and it then travels to the upper end of the incline. On reaching this point the box swings vertically, when, by a self-acting contrivance, the door opens, and the contents are thus completely emptied. The empty box then runs down, suspended by its hook and chain, on the under side of the line of tram-rails, which it previously traversed on its upward course.

“On such parts of the work as are being carried out, either by manual labour or any other means, where the water is not as yet introduced, there are about twenty inclined planes. In these tramways are laid along the bottom of the cutting, or rather valleys, as these deep excavations through the plateaux might more appropriately be called. Mule-trucks convey the excavated soil to the foot of the incline, whence they are run up by an endless rope, worked by an engine which is stationed at the head of the incline. As the laden truck ascends, an empty one descends to the foot of the incline, where a team of mules is in readiness to run it back to the point of excavation.”

There were some fifty of these powerful machines employed along the course of the Canal, whose consumption of coal came to a total of 40,000*l.* each month. Their cost was nearly two millions and a half.

Another account gives a clearer idea of these curious engines. "There is a different kind of mechanical apparatus, called the *drague à long couloir*, which is used in immediate connexion with the dredging-vessels, where the banks are not so high above the water. The dredges are furnished with iron buckets, fastened to an endless chain revolving over two drums; one being fixed at the end of a long moveable arm, regulated by the depth at which the mud is scooped up; the other being at the top of a strong iron framework mounted upon the hull of the dredging-vessel. They vary in size and power, the smallest being of 15-horse power, and the largest of 75-horse power. The boxes, or caissons, have each a capacity of four cubic yards, and seven of them fit into one of the attendant punts. One end of a box is made to open like a door on hinges, so as to let its contents run out when lifted by the elevator, and carried up the tramway to the other end, when it is discharged. The elevator

is an inclined plane, about fifty-two yards long, carrying two lines of rail. It is supported in the middle by an iron frame, which rests on a carriage, moveable upon rails laid for the purpose along the bank of the Canal, at a height of six feet above the water. The lower end of the elevator reaches over the water, and is supported by a steam-float. When the machine is at work, the lower extremity is three yards above the water, while the upper end has an elevation of twelve yards, reaching far over the embankment. Each box of earth is lifted from the punt by a steel-wire rope, and placed on a truck which carries it to the upper end of the incline. Having reached this point the box is suspended vertically, when its end-door opens, so that it empties itself on the ground beneath. The empty box then runs down the other line of tramway, and is returned by the punt to the dredging-vessel. The *long couloir* or long duct, is of curved or half-elliptical form, sometimes seventy-five yards long, but often smaller, with a slightly inclined channel five feet wide and two feet deep, which is supported by an iron framework on the deck of a barge; a steam-pump keeps a stream of water flowing through this channel, by which the dredged-up matter, when dropped into its

upper end, is carried off and cast ashore on the bank of the Canal; this process being aided in some cases by the action of the *balayeur*, an endless chain passing along the centre of the channel and bearing a number of iron scrapers to remove the half-liquid slime and mud. By means of the *long couloir* which has a reach of seventy-five yards, the dredge can work in the very middle of the Canal, and, with a very easy movement, can deposit its dredgings, almost horizontally, or at a moderate elevation, well beyond the water-line on each side. The float or barge, which supports the *long couloir* in the water, is fastened by chains alongside the dredging-vessel."*

"Our dredging machines," says M. de Lesseps, "of which the ducts were one and a half times as long as the column in the Place Vendôme, carried off from two to three thousand cubic metres a day; and as we had sixty of them, we succeeded in extracting monthly as much as two million cubic metres (about 2,763,000 cubic yards).

"This is a quantity of which no person can form an exact idea. Let us try to realize it by com-

* *Illustrated London News*, April, 1869.

parison. Two million of cubic metres would cover the whole of the Place Vendôme and would reach an elevation of five houses placed one on the top of the other. It took four months for the 400,000 cubic metres of the Trocadero, while we dug out two millions in one month."

In short, the dredge *à couloir* was a sort of mud pump which discharged the "stuff" excavated on to the bank through a long tube instead of into lighters. The "elevator" took the place of the gigantic crane we sometimes see at work in harbours, and which hoists out the boxes of mud from the lighters, and swings them round to be discharged into the sea at the other side. It seemed a shorter process to have a railway up the frame of the crane, and hence was derived the idea of the elevator.

Gradually these engines were introduced at intervals all along the hundred miles of the Canal, and it was not unpicturesque to look upon from the busy docks of Suez, and follow the lines of the Canal winding off into the desert, marked at short intervals by their double chimneys with their curling smoke, and showing how diligently the work was being prosecuted.

As the dimensions of the Canal, that is its breadth

and depth, were only determined as the period for opening drew near, this may seem the proper place to examine this question. In nothing does there seem to be so much caprice as in this matter. The English Canals are singularly narrow, and the Irish broad; while some of the Belgian Canals, notably the one from Ostend to Bruges, are magnificent for the spaciousness of their proportions. The practical breadth of a canal is its breadth at the bottom. The Suez Canal is virtually of the same breadth—viz., seventy-two feet from end to end, though for seventy-seven miles it is apparently nearly double the width. The scale of these two sections is as follows: the smaller dimensions it will be seen were adopted for the heavy cuttings, to save expense. On the eve of the opening the Canal had been excavated according to one or other of the following sections:—

1st. 196 feet in width at the surface of the water, and 26 feet deep for 72 feet at the bottom. The slopes are 2 horizontal to 1 vertical, with one or more horizontal benches of 10 feet in width, according to the depth of the cutting.

2nd. 327 feet in width at the surface of the water, and a similar depth of 26 feet for a similar width of

72 feet at the bottom. The lower part of the excavation is also 2 horizontal to 1 vertical, but the slopes above and below the surface of the water are 5 to 1, and a horizontal bench of 58 feet connects the two slopes.

“The work was carried out with reference to these two sections in the following manner :—

According to the first section :—

	Miles.
From near El Ferdane to Lake Timsah	. 9½
From Lake Timsah to the Bitter Lakes	. 7½
Through the deep part of Chalouf Cutting	. 5
	<hr/> 22

According to the second section :—

Port Said to near El Ferdane	. . . . . 37
Through Lake Timsah	. . . . . 5½
Through the Bitter Lakes	. . . . . 23½
At the Suez end of the Canal	. . . . . 11
	<hr/> Total 77

Through Lake Timsah and the Bitter Lakes the lower portion only of this section is required to be excavated, in consequence of the low level of the ground.

“It will be observed in the description of the

second section that the slope at the surface of the water is flat (5 to 1), and provision is now being made for protecting this slope with rough stone pitching, trimming the upper slopes, and otherwise treating it as a finished work. This may be safely done, because that section is so arranged that the Canal may be widened at any subsequent period without disturbing any of the work already done. With the first section, however, the case is different. This section has been adopted in the deep cuttings to effect the largest saving possible in the quantity of excavation ; and therefore, if a future widening of the Canal is required, one or both side-slopes must be thrown back, and a considerable portion of the present work interfered with. The reduced width is adopted, as we see, chiefly in those parts where the Canal has to be cut through platforms of high ground, as in the El Guisr cutting, nine miles long, the Serapeum cutting of seven miles, and the Chalouf cutting of five miles. The slope of the banks, above the water-line is about 1 in 5, which is diminished below the water to 1 in 2.”*

This may be made more intelligible by stating

* *Illustrated London News*, April, 1869.

that in the apparently wide section the profile of each bank takes the shape of a broad step, each about seventy feet wide ; while over each step there is but a few feet of water. Dredges working over these steps could dredge down to the bottom. But the real width of the Canal in reference to the draught of water required is to be measured as by the breadth at the bottom, which is just 72 feet.* Here, too, may be considered the interesting question arising out of the proper depth of water for the channel, as regards which many prophecies were ventured. It will be most convenient to give the portions of the report of the two officers, Captain Richards, of the Royal Navy, and Colonel Clarke, of the Engineers, whom the English Government despatched to inquire "to what extent the Canal may be expected to be available for the purposes of her Majesty's naval service?" This investigation was made in a very thorough fashion in February, 1870, and their report was highly favourable :—

* Sir John Hawkshaw advised reducing the breadth of the whole Canal to about 250 feet in the widest section, and to 150 feet in the narrower. He also objected to the angle of the slope below the water-line, which he said should be as 3 to 1. He estimated the saving at about half a million.

“Sailing from Alexandria at noon of the 29th January, 1869, Port Said was reached early on the morning of the 30th; on the passage were passed the three iron pile lighthouses on the Rosetta mouth, Brulos Point, and Damietta entrance of the Nile, which are all but complete, and when lighted will prove most useful guides to vessels passing along this low and shallow coast, where the currents are uncertain, and after westerly winds sometimes attain a velocity of two miles an hour, with an indraught setting strongly into the bights: on this account vessels will do well not to approach the shore nearer than seven or eight miles. The high light of Port Said, which stands at the inner end of the western breakwater, was seen at a distance of twenty-five miles; and bringing it on a bearing S.W. $\frac{1}{2}$ W., we steered in on that course, passing the end of the western breakwater, within a quarter of a mile, in five fathoms of water, and then between the buoys which mark the channel, into the inner basin, carrying 25, 26, and 27 feet of water, occasionally 28 feet, where the vessel was secured to the mooring buoy of the Messageries Impériales. No time was lost in communicating with the English Vice-Consul, who introduced us to the Egyptian

Governor, and to the officials of the Canal Company—viz., M. Pointel, Captain in the French Imperial Navy, chief of the transit and navigation departments at Port Said, and M. Blondel, at present the resident chief engineer for the whole of the Canal works. From these gentlemen we received the most ready offers of assistance, and a promise that the whole of the drawings and other documents in their possession should be placed at our disposal. The whole length of the Canal from the high lighthouse at Port Said to its junction with the Red Sea at Suez may be stated, as nearly as possible, at 88 geographical miles; of this distance 66 miles are actual Canal, and 22 miles of the navigation runs through the three lakes—viz., Timsah, and the great and small Bitter Lakes; excavations had to be carried out, however, throughout the whole length of Lake Timsah; of the small Bitter Lake, and a portion of the great Lake, leaving a distance only of eight miles in the latter, where the natural depth exceeded that of the Canal, and where, consequently, none were necessary. The width of the Canal at the surface, throughout the greater part of its length, was finally decided to extend to 325 English feet, having a floor 72 feet wide in the centre, with a

depth of 26 feet, sloping up 2 to 1 till within 5 feet of the water surface, where the section is for 50 to 60 feet, either level or with horizontal benches, ending in slopes of 5 to 1. At three places, however, where its course runs through high ground, and where the labour of removing the soil would have been attended with very great expense, and occupied a considerable time, the width has been reduced to 195 feet, with slopes of 2 to 1; these three spots occur in the neighbourhood of El Guisr, Serapeum, and Chalouf, and are respectively 8, $5\frac{1}{2}$, and 4 miles in length, making in the whole about 18 miles of narrow cutting. It will thus be seen that the Canal was generally to have a waterway 26 feet deep for a width of 72 feet, 20 feet deep for 95 feet; and 15 feet for a width of 112 feet. In order to test to what extent these intentions had been carried out, it was necessary to make accurate sections of the Canal throughout its length, and fifty-two of such sections were made accordingly, exclusive of eight which were subsequently taken across Port Said. The results proved that on the whole, with a few exceptions to be noticed presently, the work had been fairly completed according to the original, or, rather, the modified design; and though it is not to

be doubted that the opening was probably in some degree premature, and that though much remains to be done to improve and facilitate the transit, especially for large ships, yet it is at the present moment undeniably a navigable Canal for vessels of considerable draught and tonnage, and its success has probably far exceeded the most sanguine expectations of its warmest supporters. It must not be understood that there is the exact depth and breadth uniformly throughout the Canal which it was the intention of the engineers there should be ; the deepest water, for instance, as shown by our sections, is not always precisely in the centre, nor is there always the exact width which was laid down ; occasionally it is less, in some cases even greater ; but the depth does not differ more than was to be expected under the circumstances, or so much as materially to affect its practical value, with the exception of the cases now to be noticed, and which are in course of being remedied. The first of these faults, and where a dredger was at work removing it, occurs 33 miles from Port Said, between Kantara and El Guisr ; here the greatest depth is 22 feet, but only for a width of 30 feet ; and for a width of 80 feet, a depth of 20 feet only can be com-

manded ; this occurs at Lake Ballah, where there is no eastern embankment to the Canal above water. The second bad place occurs $44\frac{3}{4}$ miles from Port Said, just where the Canal proper commences, at the south end of Lake Timsah ; here also 22 feet is the greatest depth, and that only at one spot ; 20 feet can be carried for a width of 55 feet, and 18 feet for a width of 72 feet. A dredge was also at work deepening this spot. The Serapeum rocky section forms, or rather did form, the next and greatest difficulty. The thin stratum of gypsum, which extends more or less along this section, at a depth of 17 feet below the water-line, suddenly increased for a length of about 80 yards, from a few inches to a thickness of 7 feet, and which, lying between two trial borings, was unfortunately not detected till after the water had been let in, and close on to the time fixed for the completion of the works. When discovered, there was scarcely 17 feet of water over it, but at the time of our examination it had been almost removed by blasting and dredging ; three dredges were at work, and we witnessed huge blocks of the stone being brought up by the buckets, to the no small damage of the latter, which were split and broken through the tearing away of

the rock by the powerful steam machinery. The efforts indeed which were being made to remove this difficulty were very great, regardless of every obstacle ; and some sections with which the engineer was good enough to supply us, confirmed by some eight we made ourselves, left no doubt that they had all but been overcome ; and we have every reason to conclude that since our visit this part of the Canal, as far as depth is concerned, has been made equal, if not superior to any other. At the distance of a mile south of the Serapeum operations, or $5\frac{1}{2}$ miles from Port Said, at section 35, there is another shallow place, where 22 feet is the greatest depth for a width of 50 feet ; for a width of nearly 70 feet, not more than 20 feet can be carried ; and for a width of 80 feet there is no more than 18 feet ; this obstacle was to be removed by the dredges immediately. The last weak place to be noticed is within three miles of the Suez entrance of the Canal, and here not more than 23 feet was found, and for a width of 50 feet no greater depth than 22 feet ; this, however, was at low water, and it is to be borne in mind that at this end of the Canal a rise and fall of the tide may be depended upon to the extent of from 4 to 6 feet. A dredge was at work improving

this part, which at present is probably the most imperfect portion of the Canal. Independently of the weak points which have now been described, some of which have been already remedied, and all of which it may fairly be expected will be so within three or four months from the time of our visit—early in February—the next difficulties are the curves, five in number, in passing most of which great care and attention will be necessary in piloting a long vessel. The first occurs immediately after entering the Canal from Port Said, but it is so moderate that there is little difficulty in passing it. Two others occur between Kantara and El Guisr; the latter, just before entering Lake Timsah from the north, is the sharpest in the Canal, and is in course of being widened. The fourth is also rather a sharp turn, and is near the south end of the Little Bitter Lake. The fifth and last is within two miles of Suez. Otherwise the channel is straight; and with the exception of about two miles on the eastern side of the Canal at the south end of Lake Ballah, nearly the same distance on its western side at the southern extreme of Lake Timsah, as well as throughout the whole extent of the three lakes, there is a solid dry embankment, varying in height from about 5 to 10

feet in the flat part to 50 or 60 in the higher portions. Throughout Lake Timsah, and from where the embankment terminates at the north end of the Great Bitter Lake to the lighthouse at the north end of the lake, a distance of about $1\frac{1}{2}$ miles, also from the lighthouse at the south end of the lake, throughout the length of the Little Bitter Lake, to where the embanked Canal again commences, the deep channel is marked by conspicuous iron beacons on either side; these beacons are 250 feet apart, and the deep water channel between them is the same in width as in the rest of the Canal; but in practice it is found more difficult to keep in the centre while passing through these beacons than it is when between the embankments. The iron pile lighthouses at the north and south ends of the Great Bitter Lake are eight miles apart, and visible the one from the other. In the space intervening the water is two or three feet deeper than in the Canal; and ships are not therefore obliged to follow any direct course through the lake, but may proceed or anchor as convenient. At every five or six miles between Port Said and Lake Timsah—the whole distance being 42 miles—there is a *gare* or siding to allow large vessels to bring up in either for the

purpose of passing each other, or to moor for the night. These *gares*, which are temporarily marked by posts driven into the banks, are merely extensions of the width of the floor of the Canal under water, and are not sufficiently capacious, but they will, it is stated, be enlarged. That at Kantara, 24 miles from Port Said, is exceptionally large, and can accommodate three large vessels.

“The pilots are of course well acquainted with the positions of these sidings. There is, or is to be, a telegraph station established at each of them, with a competent nautical official, who is to regulate the movements of passing vessels, according to directions which will be communicated by telegram from Port Said, Ismailia, or Suez. Telegraph wires are established throughout the length of the Canal.

“The best stopping places for ships after nightfall, and during sand drifts, or high winds, when the passage of the Canal would be attended with risk of grounding, are the Kantara *gare*, Lake Timsah, and the Great Bitter Lake, which are respectively 24 miles, 42 miles, and 56 miles from Port Said. Lake Timsah at present has not more than 21 and 22 feet of water; and with a long ship some difficulty is experienced in entering the channel of the Canal

from the Lake. A sufficient portion of the Lake is to be improved to render it a convenient stopping place. Such, then, is the present state of the Canal. The second clause of our instructions, respecting the works proposed to be carried out in connexion with it, is now to be considered. From M. Guichard, the chief authority on the spot, we learnt that when the Company took over the works from the contractors they were quite aware of the weak points detected by us in our examination, and decided on completing the undertaking themselves, for which purpose, and also to maintain the Canal in a navigable condition, eight powerful dredges, and a proportionate quantity of mud-hoppers and other plant, have been permanently retained. It was intended to proceed immediately with the improvement of those points to which we have alluded as faulty, by reducing the sharpness of the curve at El Guisr, widening it and the other three 'curves of danger' to 130 feet at the floor of the Canal, and making the channel from the entrance of Port Said to the inner basin 30 feet deep, as well as increasing its width. In effecting the improvement of the curves, it is computed that about 451,000 cubic yards of excavation will have to be

made, and a further removal of 1,100,000, it is said, would go far to perfecting the Canal; but the latter, being regarded by the Company as unnecessary for the actual requirements of navigation, is not likely to be undertaken at present. It is also intended to mark the banks of the Canal by conspicuous beacons at every mile, instead of by the temporary kilometre marks which now exist only between Port Said and Lake Timsah. At every cable's length, or tenth of a mile, substantial pillars or bollards, for securing ships and heaving them off, are to be embedded in the banks on both sides; and the limit of 16 feet depth of water is to be marked on either side by buoys at a distance of a fifth of a mile from each other, or 400 yards apart; these buoys to be moored with a chain and sinker, and further secured by a second chain to the pillars on shore. We were assured that these pillars and buoys were being prepared at Trieste, and within four or five months would be in their places; if so, the advantages and convenience to passing vessels will be considerably increased, for the great drawback at present is the want of appliances for heaving a vessel off of the ground, or of making her fast should it be necessary to stop. It is expected that the whole of the improvements

above mentioned will be completed by the close of the present year, the more especially as we have been informed by M. de Lesseps himself, subsequently to our visit, that there is not to be any delay in commencing them."

As to the question of a current through the Canal, it was anticipated that the difference of level between the seas would have produced a sort of fall. This, it seems, has been neutralized by the great lakes, which act as water "buffers." On this point the two officers say :—"The difference of level of the two seas, so far as it has had any effect in producing a current one way or the other, is inappreciable. The tidal observations which we were able to make were necessarily somewhat imperfect from want of time, but they were made at that period of the moon's age when their effect would be greatest. The results show that in the southern portion of the Canal, between Suez and Great Bitter Lake, the tidal influence from the Red Sea is felt, there being a regular flow and ebb, the flood running in for about seven hours, and ebb running out for five hours. At the Suez entrance the rise at springs, unless affected by strong winds, is between five and six feet; about halfway from Suez to the Little Bitter Lake, a distance of

six miles, it is under two feet ; at the south end of the small Bitter Lake, a few inches only ; while at the south end of the Great Lake there is scarcely any perceptible tidal influence. We were informed by the authorities at Ismailia that since the Great Lake has been filled, the level of Lake Timsah, which was filled from the Mediterranean in April, 1867, has risen twelve centimetres, or about four inches, and that its waters are continually running at a slow rate into the Mediterranean. Certainly this statement agreed with what we ourselves remarked, for we always found a current running northward from Lake Timsah at the rate of from half a mile to a mile an hour. Limited, however, as these tidal observations were, they were taken with great care, and appear sufficient to show that, except at the Suez end, the tides will not materially affect the passage of vessels. At that end, therefore, large vessels must regulate their time of passing. Indeed, the greatest difficulty which will be experienced will be not from the tides, but from the prevailing north-east wind in the Canal, which will make close steering difficult in going from north to south.

“With regard to the question of evaporation, it is impossible to say that a hot summer will produce no

appreciable effect on the water of the Great Lake, but it may be fairly predicted that no serious effect will result sufficient to produce a disturbing influence on the general conditions of the Canal, and thereby affect its navigation."*

* On this point compare Mr. Fowler's opinion :—"The vast extent of the Bitter Lakes (100,000 acres in superficial area), when connected with the tidal Red Sea by the Chalouf excavation, will produce in the summer months, when the evaporation is greatest, peculiar currents and hydraulic phenomena. The largest daily evaporation or abstraction will amount to about 250,000,000 cubic feet of water, and this will be chiefly supplied from the Red Sea, which is far nearer than the Mediterranean, and has a tidal range of about six feet in spring tides and two feet at neap tides, while the Mediterranean has a far less tidal range. The currents which will thus be created by evaporation and tide will be sufficient to assist or retard navigation, as they will probably approach, if not exceed, two miles per hour, but they will scarcely be strong enough to affect injuriously the bottom or sides of the channel through the Chalouf cutting after the proper protection by stone pitching had been carried out. It is possible that a strong south wind may somewhat increase the velocity of this current by slightly raising the ordinary tide at Suez, and that lateral absorption, evaporation, and waste round the shores of the Bitter Lakes into, and through, the sand of the desert may increase the amount of the water to be daily supplied ; but these disturbing causes will not probably be sufficient to make any appreciable difference in the velocity. It would, however, have been desirable, in my opinion, that the Canal should have been originally constructed on enlarged dimensions between the Bitter Lakes and the Red Sea, if the resources of the Company had permitted."

Another important question engaged their attention as to whether the banks should be faced with stone. "Even were it advisable," they say, "the great cost and tedious nature of the operation of pitching the banks with stones, which, to be at all effective, would have to be carried below the line to which a ship in passing forces the water to recede, now that the Canal has been filled, precludes the idea of its ever being suggested by us. By 'pitching' we mean lining or covering the banks with stone fairly dressed, and carefully jointed, cramped, and set in cement, or hydraulic lime. Any other method would be useless, and, indeed, a source of mischief, as is apparent from the destruction of the rough pitching or deposit of stone which has been placed along some parts of the African bank, for the protection of the line of pipes conveying fresh water from Ismailia to Port Said."*

* Compare Mr. Fowler's report :—"I believe it will be found necessary to make a proper and immediate protection of the slopes by stone pitching above and below the surface of the water along the whole course of the Canal, if the traffic is to be conducted at a reasonable rate of speed ; and I think the engineers of the Canal Company have already, or nearly, arrived at the same opinion. This work will, no doubt, be executed much more conveniently and economically after the Canal is opened throughout,

They then approach another interesting question.

"We proceed now to the consideration of the question of how far the Maritime Canal is likely to answer its object, what difficulties may be anticipated in its navigation, and to what extent it may be expected to be useful for the purposes of her Majesty's naval service, including the transport service to and from the East. For all steamships, or vessels towed, ranging between 250 and 300 feet in length, with 35 feet beam, and a draught of 20 feet, it will, with the improvements and appliances earlier described, be a convenient highway. It may, therefore, be assumed that with the exception of the ironclad ship at present stationed in the East, or any unusually heavy vessel, it will be a channel available for the passage to and fro of our Indian and China squadrons. The maximum speed should never, except in the Large Bitter Lake, exceed five miles an hour. This rule should not at any time be departed from, not only to prevent injury to the Canal by the disturbance of the soil of the banks

and the large quantity of stone required can be conveyed without change; but, on the other hand, it will be more difficult to place the stones below the level of the water, and probably the slopes may have sustained some mischief before the work can be done."

which greater velocity would occasion, but also to avoid accident to the vessel from striking the ground heavily, as she might do if she touched when going fast, which in the case of a propeller might entail serious damage to the screw.

“All vessels should be steered from the bridge, the pilot being alongside the helmsman, and those of the smaller class should, when approaching or passing each other, reduce their speed or stop, the width of the Canal enabling them, by careful steering, to keep in deep water. For the transit of vessels larger than those described, the Canal is not so well adapted, and special arrangements, such as are observed on a single line of railway, should be made and enforced. The extreme length of such vessels would prevent their passing each other, except at a station; for any unfavourable circumstance—such as even a moderate wind astern, which would cause a ship to yaw as much as a quarter of a point off her course—would probably place her on shore before she had time to recover her steerage; and, as there is no rise or fall of tide to float her off again, would necessitate lightening her very considerably—a process, it is needless to say, attended in a merchant ship with inconvenience, and likely

to involve the blocking up of the Canal, causing delay, perhaps of several days, to herself and other vessels. The question of the present Indian transports passing through the Canal with troops demands serious consideration; and there are so many points involved that it is difficult to offer any decided recommendation. That these vessels, which were built for an entirely different service, and are about 400 feet long, with a draught of 22 feet water and beam of nearly 50 feet, can pass through the Canal, is undeniable; but no practical seaman need be told that in steering them through what may be called a continuous dock 90 miles in length, less than 100 feet wide, and with nothing showing above water to mark the centre of it, frequent grounding and consequent delay may be anticipated, though every possible care and precaution be taken. The extreme dimensions of these vessels, combined with the great weight of their hull, upon which the effect of even a moderate breeze in any other direction than right ahead must be very prejudicial to exact steerage, would increase the difficulty of the passage. It is to be considered also, that the mid-ship section of one of these vessels bears about an average proportion of 1 to 4 to a section of the deep

water part of the Canal; she would consequently displace about a quarter of the water in it, and if moving above very slow speed, considerably reduce the depth of water underneath her. As regards the advantages which the Canal will offer to the national and commercial interests of the United Kingdom over the present route to the East by the Cape of Good Hope, two questions arise. The first, to what portions of the globe and to what class of vessels will it offer advantages; the second, what will be those advantages in point of time and money? The answer is, that India, China, and the Eastern Archipelago are the portions of the globe which will be specially affected, and to a certain extent Australia and New Zealand also; and that the class of vessels which will be exclusively benefited must be those with steam power, for the special reason that a part of the Mediterranean and the whole of the Red Sea, owing to the character of the winds, must be considered as essentially steam navigation. The class of steam vessels which have to be separately considered are—

1. Ships of war employed on the India and China stations.
2. The Mercantile Marine.

3. The Troop Service between England and India, either as carried on by the present Indian transports, or by any vessels which may in future be designed.
4. The great lines of steamers carrying mails, passengers, and merchandize, such as the Peninsular and Oriental Company's vessels.

In considering these questions it is necessary to select some point as a standard of comparison in point of distance common both to India and China, that is, a point which vessels bound to either country must pass either near to or in its meridian; and for the purpose we select Point de Galle.

Geograph. miles.

The distance from the English Channel	
(Start Point) to Galle by the	
Canal is	6,515
By the usual sailing route round Cape	
of Good Hope it is	11,650
The difference in favour of the Canal	
route is therefore	5,135

and this advantage may be considered as an equivalent, in point of time, to thirty-six days. A ship of

war bound to India or China, by the present route, generally calls at the Cape de Verde Islands and the Cape of Good Hope, and in the case of China at Singapore, to replenish her fuel, &c. ; by the Canal she would call perhaps at Gibraltar, certainly at Malta, at Suez, and Aden, and if going to China at Singapore, for the same purpose ; and it may be safely assumed that she would use one-third more coals before reaching either station by the Canal route, irrespective of the dues for passing through, which will be considered presently. The mercantile marine may be considered under nearly the same conditions as ships of war, so far as the saving of time is concerned, but their condition being changed from sailing to steam vessels, the whole amount of fuel expended must be taken into account, as well as the loss of carrying power consequent on that change. The shortening of the voyage to China, however, by about thirty-six days, combined with the advantage of submarine telegraphy, will certainly far more than compensate for these drawbacks, and it is not to be doubted but that the Canal route will prove highly advantageous to a class of vessels constructed especially for its navigation.

“Under the present system of transport forty-

eight hours are occupied from the time of arrival at Alexandria to that of embarkation in the Red Sea, in carrying the troops by rail across the Isthmus of Suez, and it appears to us a reasonable calculation that by the Canal route an average delay of three days might be expected, from the date of arrival of one of these ships on the Mediterranean side to that of her departure from Suez. Thus, then, it seems that, as regards time, the passage through the Canal would not effect any saving ; but if the adoption of that route, with a different construction of vessel, would lead to the reduction of one ship out of the five now employed, and abolish collateral expenses as well as the inconvenience of two transhipments of troops and baggage, it will certainly be worthy of consideration, and, leaving the political bearing out of the question, becomes a matter of expense only, which can easily be calculated. The great lines of mail and passenger steamers, such as the Peninsular and Oriental, come nearly under the same conditions as the troop ships, except in the carrying of merchandize. They would probably land their mails and passengers at Bombay a day or two later by the Canal route than under existing arrangements, but they would save transhipment of cargo, and might

possibly be able to reduce the number of their vessels. Moreover, although the vessels of the Peninsular and Oriental Company are not precisely the class of vessel best adapted to navigate the Canal, yet in this respect they enjoy a great advantage over the present Indian troop-ships. The solution of the question as regards these Companies is, that it will probably be found advantageous at present to adopt both the overland and the Canal routes.

“Any estimate of the comparative cost of the Canal route and the overland transit, or the long sea passage, must of course be based on the present tariff of charges adopted. In this respect no decisive information could be obtained on the spot as to what they will ultimately be fixed at, probably because the Company's officers were unable to afford it. A doubt existed as to whether the dues would be charged on builders' measurement or register tonnage, which has since been decided in favour of the latter; it was uncertain also whether troops passing in ships of war would be considered as passengers. At the present time, however, there are three separate charges levied, viz. :—

10 francs per ton on register tonnage, or exclusive of space occupied by engines and coals.

10 francs a head for passengers.

20 francs per decimetre (4 inches) for vessels over 20 feet draught as a pilotage charge.

“ Therefore, the charges for one of the present Indian transports, taking the register tonnage at 3002 tons, and drawing 20 feet, which she would probably do in passing through the Canal, would be—

Register tonnage	£1250
For 1200 troops, considered as passengers.	480
Pilotage	50
Total	£1780

as against the present charge for overland transit, which is believed to be between 1600*l.* and 1700*l.*

“ For a vessel of the *Volage* class, the register of which is 852 tons, the charges would be—

Register tonnage	£355
Pilotage on 20 feet draught	50
Total	£405

“ Therefore, for a ship of war of the latter description and tonnage, adding 500*l.* for the extra coal

which would probably be consumed, there would be 895*l.* to be placed against a saving of thirty-six days on the voyage to India or China, leaving out of consideration the wear and tear of a voyage round the Cape of Good Hope. Taking these figures as a basis, it would probably be considered desirable to send all small or moderate-sized vessels through the Canal. Keeping, then, in view what has already been said with regard to the physical character of the Canal, and what has now been assumed as to its economy, the preponderance of opinion is against the use of the Canal as a highway for our present type of transports; but it appears certain that by a different construction of vessel, and without any increase in the number, that object could be accomplished with ease and convenience. This is an opinion which of course may prove fallacious. For the reasons assigned, however, it does not seem advisable that any change in the present system of moving troops between this country and India should be decided on before the commencement of the season of 1871; by that time there will be positive experience on which to base a decision, especially if the passage through of the *Yumna* should be determined upon; and if our anticipations prove correct

in regard to the works still to be carried out, the Canal will be in a far more perfect condition than it is at present.

“We have thus, in accordance with our instructions, considered in detail the present condition of the Suez Canal, and the works to be carried out in connexion with it, as well as the probability of its being available for the purposes of H.M.’s Naval and Transport Services, and have arrived at the conclusion—

1. That for a certain class of vessels this great work, which must always be a monument of persevering energy and engineering skill, as it now stands, is a convenient mode of passage from the Mediterranean to the Red Sea.
2. That it will be so to a greater extent when the works contemplated, viz., the deepening of certain shallow parts, the enlargement of the *gares*, and the widening and improvement of the curves, are carried out.
3. That it is available for the transit of ships employed in the Eastern seas, with the exception of the large ironclads and other exceptionally heavy vessels.

4. That for the present type of Indian transports it is not a desirable route.
5. Further, we think that the cost of maintenance will not exceed the amount estimated for it when the work was first projected.

“We would now briefly advert to the prospects of the Canal as the grand highway for the naval and mercantile marine of Europe to the East. The real drawback to the Canal is its narrowness; and we were informed that, except at the parts mentioned previously, it is not the intention of the Company to give it the additional width, the want of which alone prevents its being pronounced a complete success as a permanent navigable route for the largest ships from sea to sea.

“Had its width at floor been doubled, with a proportional increase to its surface, it might now have been fairly regarded in that light, and its maintenance would have been comparatively easy, just as a great city thoroughfare is periodically renewed by having one-half of its width blocked up; whereas, by closing one-half of the Canal as it now stands, the other would be rendered practically impassable to large ships, and some expedient must therefore be resorted to, such as carrying on the repairs by night, or leaving

the passage open to ships for certain periods only during the day.

“That to increase the width of the Canal would be a perfectly feasible undertaking, the cost of which could be calculated with great accuracy, need scarcely be asserted ; it is, however, we understand, very improbable that it will be undertaken by the present Company ; and that it may eventually become a national or combined international engagement is a question which, depending as it must do on political and other considerations, it would be out of place to discuss here.”

§ 10. *The Dredging Question.—Recent Inspection.*

On this question of keeping the Canal open it will be more satisfactory to note from the Reports themselves of the Canal what repairs and restorations were needed.

In March, 1872, the following was the estimate for the past year :—500,000 cubic yards of dredging, at a yearly cost of 33,000*l.* This was accomplished by three dredgers, with a fourth for Port Said. Lining the banks with masonry for about 12 miles at a cost of about 2000*l.* A further sum of about 1000*l.* was needed for landmarks, &c.

The curves in the Canal were all enlarged to suit the increased length of vessels—these were to the number of six, and several basins were dug in the mainland near Port Said.

At the end of the year 1871 regular soundings were made all along the Canal at about intervals of every 20 yards, when the regular depth of 18 metres was attained.

From June, 1872, to June, 1873, dredging to the amount of only 308,000 cubic yards was needed, which was less by some 35,000 cubic yards than the dredging of the preceding year, at the same time the bottom of the Canal was deepened by this process by about 6 feet.

The dredging required from the "Avant Port," &c., at Port Said was as follows :—

1869	300,000 cubic yards.
1870	210,000 ,,
1871	161,000 ,,
1872-3	249,000 ,,

A new dredge, adapted for the sea exclusively, was ordered.

From 1873 to 1874 the dredging in the Canal attained to 395,000 cubic yards, while 360,000 yards

were dredged from Port Said. This latter was the work of the new marine dredger. This engine cost 28,000*l*. In the year following 450,000 cubic yards were taken out of Port Said.

Finally, in January, 1874, Colonel Stokes, a clever officer, was empowered to make an examination of the Canal. His inspection, being perhaps the most recent of an independent kind, will be found interesting in this place.

“ Physical Condition of the Canal.

“ Depth.—The physical condition of the Canal itself appears to me generally very satisfactory. The silting up of its course from drifting sands, which was at one time apprehended, has not taken place to any serious extent; and the Canal Company experiences no difficulty in maintaining, throughout its length, the normal depth of 8 metres = 26 feet. The work of two dredgers, for eight to nine months in the year, suffice to keep under the slight silting that does take place.

“ Width.—The width of the navigable channel averages 70 feet at the bottom; the surface width of the Canal being about 200 feet: this does not allow

of vessels passing one another, except at the sidings provided for that purpose. It has been urged, as a reproach against the Company, that it did not excavate a channel of the full width originally intended—namely, 200 feet at the surface, and 144 feet at the bottom ; but I think that it is a fortunate circumstance that the intention was not carried out. I believe that the navigation is in consequence effected in much greater security, that the risk of collision is greatly reduced, and that, in the long run, the passage through the Canal is performed in a much shorter average time than if vessels were allowed to navigate without supervision in a channel of the width originally proposed, a freedom for which those contend who find fault with the present width of the Canal.

“As this opinion is opposed to that generally held, I give my reasons for forming it. Under the present system, which resembles the ‘block system’ on a railway, no vessel is allowed to enter a section of the Canal between two sidings unless that section is clear of vessels : there is a perfect telegraphic communication throughout the length of the Canal. Each of the superintendents of the transit at Ismailia, Suez, and Port Said has a model

of the Canal in his office, with miniature vessels which enable him to fix the position of each ship as it passes through. As soon as a vessel enters the Canal, either at Suez or Port Said, its counterpart is launched on the models with name affixed : as it passes each siding, which is also a telegraph station, its position is made known to the superintendents, who fix its place on the model, and the chief transmits orders for the guidance of the pilot on board. Thus, whenever a vessel approaches a siding, it finds a signal directing its movements whether it is to remain or move on ; if to remain the orders are strict that it is to make fast to the bank in the siding, and to leave the navigable channel quite free. If these orders are obeyed, and I believe there is no instance to the contrary, it is quite impossible for two vessels to meet in the section between two sidings : they are also forbidden to pass one another when going in the same direction. The blocking of the channel, therefore, from a collision is rendered almost impossible. A collision might occur under exceptional circumstances, for a vessel passing another under regulations, as she is moored in a siding, might run into her ; but such a collision could hardly cause the sinking of either,

as one vessel would be stationary, and the other moving very slowly : no such misfortune, therefore, as the blocking of the Canal by collision is to be feared.

“ From the uncertainty of the currents, and other causes affecting a vessel's steering, it does occasionally, and not unfrequently, happen that she takes the ground as she passes through the Canal, but as the channel is narrow, when she swings across it on grounding, she is inclined to the direction of the Canal at a very small angle, and it is therefore easy to haul her off, and get her straight. Under these circumstances it can be easily understood that the only delays to which a vessel can be subject are those which arise from her finding one or more vessels in the section ahead of her, and for whose passage she must therefore wait. As the sidings are, for the greater part of the length of the Canal, not more than five or six miles apart, these delays are not long as a rule.

“ What, on the other hand, might be expected to happen if the Canal were wider and vessels allowed to navigate without restriction, obeying only the rule of the sea ? There would result the usual rivalry, and endeavour to get through as quickly as possible ;

this would be accompanied by the usual collisions. Even if the rivalry were restrained by regulations or by a sense of the consequences that might ensue, there would always remain the numerous causes of collision arising from accidents beyond control, from bad steering, from steering thrown out by the action of under-currents, from gusts of wind throwing a vessel out of her course, and a collision in such a channel would mean the closing of it, if a vessel were sunk, until she could be raised. But even should no collision occur, the effect of a vessel touching the ground would, in a wider channel, be much more serious than at present. A vessel taking the ground, say bows on, with a high wind blowing across the Canal, would immediately swing round, and her stern would ground on the opposite bank, and she would lie inclined at a very large angle to the direction of the Canal ; for no one pretends that it is to be made more than 150 feet wide at bottom. She would thus block the channel until the wind should abate : for, inclined at a great angle, it would be next to impossible to haul her straight against a high wind, and until she could be hauled straight no other vessel could pass. I therefore believe that, although occasionally vessels might

pass through the Canal more quickly than at present, the average passage would be longer from delays and accidents, and there would be the ever-present danger of the channel being closed from the increased risk of collision.

“As to the alleged probable difficulty of dredging in such a narrow channel, it has not been found to exist in practice ; the dredgers can always slack their moorings and haul out of the channel before a vessel comes up to them ; such stoppages of work are turned to account for making minor repairs on board, which are reserved for such moments.

“Another argument of those who contend for greater width, is that the Canal, in its present state, cannot accommodate any very large number of vessels. I maintain that, under the present admirably arranged system, there is practically no limit to the number of vessels that can be passed ; for, if the traffic through the Canal should increase to such an extent that the present sidings could not admit at one time the fleet that would require to go through, other sidings could be made ; but practically this can never occur, for the Large Bitter Lake affords the means of shunting any number of vessels. I therefore say decidedly that it is unnecessary to

widen the Canal. The fact that her Majesty's troopships, vessels of 4400 tons, 400 feet long, of 52 feet beam, and drawing 22 feet of water, pass through the Canal in an average on forty-nine voyages of seventeen hours under weigh, their average time in the Canal being about forty hours, affords a convincing proof of the sufficiency of the Canal for all reasonable purposes, and as a mercantile highway. These ships, from their great height out of water, present unusual difficulties, as the large surface exposed to the action of the wind must cause them to make leeway under a cross wind more than vessels having less free board. It is to be remarked that these vessels are perfect in their capacity for steering and are handled in a most masterly manner ; but beyond these advantages, attainable by every vessel, they enjoy no special privilege in the navigation of the Canal, and have to take their turn in the sidings like others.

“ The only exception to this rule is a general one in favour of postal steamers, which alone are allowed to go through during the night, and for which all other vessels have to give way.

“ *Sidings*.— The sidings are, in my opinion, sufficiently numerous ; between Port Said and Ismailia

they are to be found at every five or six miles, and from Ismailia to Suez they are in about the same proportion ; but this distance is broken by the Bitter Lakes, the larger of which is some eight miles in length, and has a depth of more than 26 feet over the greater part of its extent ; vessels are therefore allowed to navigate it freely.

“ The sidings ought to be widened, and should in all instances, I think, be double ; that is, there should be the same extra width given on each side of the navigable channel, and not on one side of it only, in order that stationary vessels may always be moored to the windward bank, and moving vessels have a wider channel for passing them, thus reducing the chances of collision.

“ With the exception of the important station of Kantara, the Company intend to make these double sidings, according to the schedule of intended improvements annexed to M. de Lesseps' letter of the 31st January, 1874, to the Egyptian Government.

“ *Currents.*—The tides of the Gulf of Suez make themselves felt between Suez and the Bitter Lakes ; a difference of level is also sometimes observable in that portion of the Canal between Port Said and Lake Timsah, which is probably due to the pressure

of certain winds forcing a part of the waters of that lake into the Canal.

“ The subject of currents is one which might be profitably studied by the Company’s agents, as they possess exceptional facilities for making regular and simultaneous observations, from which general rules might be deduced. My inquiries elicited that observations have been recorded, but no deduction from them has yet been made. I was not informed whether these observations have been so regular and simultaneous as would lead to the currents being thoroughly understood. The necessity for them is evidenced by the irregular manner in which the same vessels steer under apparently identical conditions of wind and tide, showing that they must be affected by under-currents, whose action is unknown.

“ *Curves.*—The principal difficulty experienced by long vessels in navigating the Canal arises from the number and sharpness of the curves in its direction, for which there seems to have been no necessity, and for which the designers of the Canal must be considered to blame. The narrowness of the navigable channel increases the difficulty of passing these bends, of which one of the most difficult, but at the

same time one of the easiest to correct, is that in Lake Timsah. The motive for this most unnecessary deviation from a direct route was, I understand, to bring the Canal near to the town of Ismailia, a very insufficient reason for giving ships three bends instead of the straight course they might have had.

“Since Admiral Richards and Colonel Clarke reported on the Canal in 1870, three of the bends—namely, that of El Guisr, that at the southern extremity of the Little Bitter Lake, and one at two miles from Suez, have been rendered easier for vessels by having a greater width given to them of respectively 42, 32, and 16 feet.

“The correction of most of the bends is contemplated by the Company, but the straightening of the Canal through Lake Timsah ought not to be long delayed.

“*Entrances to the Canal.*

“*Port Said.*—The entrance to the Canal at Suez gives rise to no remark, but that at Port Said will be the greatest difficulty and danger of the future. Its present condition is most unsatisfactory, and the remedies proposed by the engineers of the Company,

as well as by the Commission of Engineers assembled at Paris last summer, do not deal with the difficulty thoroughly, or amount to anything more than palliatives of very temporary operation.

“Two kinds of deposit are threatening to silt up this entrance, with one of which the Company’s endeavours may deal successfully; with the other they do not try to grapple, but appear to think they can run away from it.

“Port Said is very correctly described by the French Engineers as a harbour *contre nature*. Where an unbroken line of coast formerly existed, piers have been thrust forward into the sea, and between them a channel has been dredged out, communicating with the Canal. Nature is daily striving to restore the continuity of the coast, which has thus been interrupted.

“From the Damietta mouth of the Nile, lying about 25 miles to the north-west, a body of water highly charged with earthy matter issues every summer during some four or five months of the inundation. This body of water turns to the south-east, and sweeps along the coast as a littoral current about three miles wide. The West Pier of Port Said, which is 7000 feet long, arrests the in-shore

half of this current, and throws down its heavier sandy particles along its length. This in-shore current, deflected from the pier at a considerable angle, flows back and meets the outer portion of the littoral current, which it thus checks, and where this check takes place—namely, to the north of the West Pier, the finer particles fall to the bottom, and a shoal is formed, which increases every summer. During the winter the beat of the prevailing north-west winds levels it down, and produces a general shallowing across the mouth of the harbour.

“The other danger springs from the choking of the channel within and parallel to the West Pier. This is being gradually filled up by the sand, which is brought along the coast by the inner band of the littoral current, as above mentioned, and deposited along the pier. At first this found its way through the openings between the rude blocks of which the pier is formed, and filled up the interstices, rendering the pier solid.

“It now accumulates on the outside of the pier, round the head of which the shoal formed by it has begun to creep.

“During the winter storms the sand along the

beach becomes stirred up and mixed with the waves which, setting always towards the pier, again throw it down where arrested by this work, and thus increase the amount drifted into the harbour. So great is the effect produced by these two causes that, comparing Captain Nares' survey of 1870 with that made by Captain Wharton, R.N., in 1873, I find that in these three years more than 5,000,000 of cubic yards of solid matter have been thrown down between the present 18 and 30 feet lines of soundings to the west of a line drawn in continuation of the West Pier. In that time the 30° line has receded seawards 1200 yards on the prolongation of the West Pier, in other places far more than that distance. Over a space of 1200 yards west to east, and 800 yards north to south, the depth has shoaled 5 to 8 feet between the 30° line of 1870 and that of 1873.

“ In justice to that able hydrographer Captain T. Spratt, C.B., of the Royal Navy, it ought to be mentioned here that, in his well-reasoned report of the 30th January, 1858, he clearly predicted the very state of things which now exists, and in a series of remarkable arguments exposed the fallacy of the assumption on which M. de Lesseps based his as-

sertion that no danger to the Port Said entrance was apprehended from the Nile deposits.

“ The Company tried the effect of dredging across the entrance at the beginning of this year, but, as I should have expected, from a similar experience gained at the mouth of the Sulina Branch of the Danube in 1857, the dredged surface was filled in again by the first storm.

“ The Company has therefore decided to meet this difficulty by resorting to the system originally adopted for creating the port—namely, an extension of the West Pier : it was resolved to prolong this pier by 600 metres in this year, and the work is being actively carried out. A very large number of cement blocks have been already made, and the manufacture of others is pushed on daily with most praiseworthy energy, whilst every calm day is taken advantage of to throw into the sea, on the line of the prolongation, a considerable number of these blocks. The extension this year will cost the formidable sum of 160,000*l*.

“ I can only regret that this energy and expenditure are bestowed on what appears to me a wrong mode of meeting the difficulty. Extension is a work that will have to be renewed, and the Company are

apparently ready to incur the outlay, for in the schedule of works above alluded to as annexed to M. de Lesseps' letter of the 31st January last, I find a further extension of this mole for 1500 metres in addition to this year's work, provided for at a cost of 9,000,000 fr., or 360,000*l*. This extension of 1500 metres is called carrying the pier out to the line of 10 metres or 33 feet. Now, the 30-foot line having receded 1200 yards in three years, and having been in May, 1873, 1450 metres from the pier head at that time, I think it may safely be predicted that long before the present extension even is completed, the 10-metre line will be far more than 1500 metres ahead of it. This constant extension of this pier seems a hopeless feature in the method of dealing with the difficulty: it is only opposing Nature more and more, and furnishing her with the foundations on which she will heap ever-increasing deposits. If in five years from the completion of the pier, that is, between 1868 and 1873, it has been found that the coast line of solid dry sand has advanced 780 feet, that a formidable shoal has crept along its entire length of 2110 metres, and that a still more formidable danger to the entrance has been formed by the creation of the outside shoal

above described, what will be the effect of simply prolonging the obstruction to the littoral current by 600 or even by 2000 metres? Will it not be simply an aggravation and extension of the evil? Like causes acting, as they will do, under precisely identical conditions, must produce like effects: at no very distant intervals the pier must be again and again prolonged at the ruinous cost above stated. The remedy must, in my opinion, be sought in an endeavour to arrest the cause. I do not enter here upon the inquiry as to how this is to be done, I have endeavoured simply to indicate the great danger which exists to the Canal from the rapid silting of the Mediterranean entrance, but I have a definite plan to submit to the discussion of engineers, when the right moment shall arrive for doing so.

“The idea of the Company’s technical advisers, that by prolonging the pier they gain shelter for dredging out the silt and sand which penetrate through the pier, would be a good one if this silt and sand could not be kept from entering, but it is an expensive plan of operations, and the further the pier is prolonged the more expensive it will become, as the length to be kept open will increase with it. But this system does not even pretend to deal with

the outer shoal of which I have spoken. Nor do I find in the discussion of this subject at Paris last August any allusion to the prevention of its formation, which I hold to be necessary and possible.

"I append to this report a translation of a note addressed to me by M. le Masson on the subject of works to be executed. It will be seen that he puts the deposits at a higher figure than I have done, that is because he speaks of a larger area.

"Condition of the Piers.

"According to an examination made by the French engineers last summer the condition of the entirely submerged blocks, of which the piers are composed, is very satisfactory—as they are protected by a covering of shells and weed from disintegrating influences. Such, however, did not prove to be the case with the upper blocks exposed to the action of the air and spray. Upon them chemical action had taken place which had disintegrated the surfaces of some. Of 1459 blocks that were visible, 1059 were broken. About two-thirds of the broken ones and seven-eighths of the others showed traces of chemical disintegration.

"The Company are manufacturing blocks of solid

rubble masonry laid in mortar of a stronger composition than the old blocks, which it is believed will resist chemical action. These are to be used in future for the upper course of the prolongation, and for making good the original pier.

“Facilities afforded to Trade.

“Independently of the one great facility which the Canal affords as a shorter route to the East, there are no special facilities offered by it. One of the complaints of those resident at Port Said is that the Canal authorities do not encourage local trade by giving facilities to vessels that would embark from the banks of the Canal the produce of the interior. I think that the Company is right in preserving the character of the Canal as a great maritime communication, and in studying before all things to keep it clear for the great ocean steamers which must form its chief reliance for levying sufficient revenue. Such local commerce as is advocated would probably be a hindrance to the passage of large ships, but I shall show further on that the Company has not been obstructive in this matter.

“Buoys, Beacons, and Bollards.—In the way of minor facilities to ships, I may mention that the

Canal is admirably buoyed throughout its course, the navigable channel being marked by floating piles, and in the lakes by iron beacons at every 200 yards. Bollards are driven at the same distance apart wherever the Canal is bounded by solid bank, to which vessels aground can attach warps for heaving themselves off.

“*Lights*.—The sea entrances are well lighted, as are those in the Great Bitter Lake.

“*Pilots*.—Complaints have been made that the pilots of the Company are inefficient, and that they speak no language but French. I did not find these complaints borne out by facts. I made special inquiry from many persons whose information was to be trusted, and from them I learnt that although when the Canal was first opened the pilots were, as was to be expected, timid and uncertain, they now have well learnt the conditions under which the Canal is navigated, though their duties might be rendered easier, their knowledge more exact, and the safety of ships increased, if the nature of the currents had, as I above observed, been made a more important subject of study by the Company's agents. The pilots are men of all nations, much like the Danube pilots, and speak a smattering of many

languages, sufficient for the exercise of their calling. There are Englishmen among them, but they are not preferred even by the English ships. A heavy charge brought against the Company is that the pilots are not held responsible for the management of the ships on which they are embarked—the captain in each case being held responsible for the ship. The same rule is the law of the Danube, where it was introduced for the same reason as in the Suez Canal—namely, that a pilot going on board a strange vessel cannot possibly know her qualities, or be so well able to manage her skilfully in narrow waters as her own officers. The pilot can advise the captain of all local circumstances, and put him on his guard against infringing the navigation rules, but the captain must know best how to handle his ship at any critical moment; and it is best that he should remain responsible.

" Company's Regulations.

" Each captain is called upon to sign a declaration that he will conform to the rules and regulations laid down by the Canal Company. I append duplicate copies of these rules, which are printed in parallel columns of French and English: the English text

being signed also by the President Director of the Company, and therefore as valid as the French text, which is a great advantage to English ships.

“ I find the rules as a whole very fair, and practical (always excepting Article 12, which levies the toll on the gross tonnage): but I must call attention to paragraph 14 of Article 13, which I consider to be an enactment in excess of the Company's legal powers; as it lays an additional toll of 50 centimes per ton on the tonnage of ships under certain circumstances, which are explained in the accompanying extract from a letter which I addressed to Captain Willoughby, R.N., Principal Transport Officer and Agent for the Government of India in Egypt, who requested me to give him an opinion on the subject.

“ I beg here to express my acknowledgment to this officer for the readiness with which he placed at my disposal all the information he possessed on the subject of the navigation of the Suez Canal, as well as for the offer of one of the small steam-vessels under his orders, of which, however, I was unable to avail myself. Captain Willoughby having traversed the Canal on board of her Majesty's troop-ships, at least one-half of the voyages made by them, has

acquired a practical knowledge of its navigation unsurpassed by any but that of the pilots.

" Local Trade.

" Although the Company is accused of not having fostered the local trade on the Canal, and has very justly subordinated it entirely to the exigences of the maritime communication, it would be unjust to say that it has lost sight of the advantages to be derived from the encouragement of such traffic.

" The Company has in fact made an abatement of tolls in favour of vessels carrying produce in the Canal, but his Highness the Viceroy maintains certain duties on vessels navigating Lake Menzaleh, which render this abatement nugatory, in order to bring about an equalization of the Canal dues which I now proceed to explain.

" The maximum toll on vessels passing through the Canal from sea to sea is ten francs per ton. By their published regulations the Company levy on every vessel proceeding as far as Ismailia (the half-way point) five francs per ton for passage to that port, and an equal toll for her to return to the sea.

" The Lake Menzaleh, which lies to the southwest of the Canal at its junction with the Mediterra-

nean, cannot at all seasons be navigated in that part of its extent which fills the angle between the Canal and the shore line, or belt of sand which separates the lake from the sea, at which point the town of Port Said has been built. During the Nile floods the lake fills, and small vessels cross it with the produce of the Delta—cotton, grain, &c., which can be shipped into vessels lying in that port, at small cost, for conveyance over the intervening Canal bank ; but when the Nile falls, the Lake falls also, and boats can no longer reach Port Said ; they are, however, able to approach the bank of the Canal at about three to four kilometres from the harbour. The Company charge sea-going or other vessels, that go thus far to meet the Lake boats, $\frac{1}{2}$ franc for going, and the same for returning.

“ This tariff has not been published, as the Company desires to retain in its hands the power to rescind it at any moment, should the vessels refuse to conform to its rules, or should the principal maritime traffic be impeded by them.

“ The Company complains that the development of this traffic is prevented by the high duties levied by the Egyptian Government on vessels navigating Lake Manzaleh, which virtually put a stop to these

vessels bringing the produce, of which there is abundance for export. The officers of the Company expressed their conviction that they would be able to induce the Viceroy to relax these restrictions; but from the language held to me by his Highness on the morning that I had an audience for the purpose of taking leave, I do not think he will be found at all willing to yield unless the Company complies with his demands.

“The Viceroy insists on an equalization of the duties for vessels loading at any point in the Canal, so that those proceeding to Ismailia, to receive produce conveyed thither by his railway, should not pay a higher toll than those taking produce at the Canal banks from vessels crossing the lake. His Highness's policy in the matter is, in effect, a protective one in favour of his railways. Probably he does not desire any accommodation with the Company, for it is his interest that the whole produce of the Delta should go to Alexandria, and should thus pay fares to his railways, and dues to his port officers at that place. Every ton of produce shipped in the Canal is so much lost to undertakings in which his Highness takes a far more direct interest than in the prosperity of the Suez Canal Company.

“ In conclusion, I desire to express my thanks to M. de Lesseps for the great attention shown to me whilst I was within reach of his courtesies ; the agents of the Company also by his orders furnished me with information on all points on which I requested it, and did so with much completeness and courtesy.”

“ Note addressed to Colonel Stokes by M. le Masson on the subject of Works to be executed at Port Said.

“ Port Said is a port against Nature : its existence is altogether artificial.

“ The state of natural equilibrium of the coast could only be re-established by destroying every obstacle to the flow of the littoral current laden with sand and mud which runs from west to east, consequently the pier must be suppressed.

“ But if the Port Said pier be suppressed, the channel would be filled up in a few days, or a few hours, and Port Said would cease to exist.

“ The channel of Port Said can only be maintained protected by a pier.

“ This pier being an obstacle to the littoral current provokes the yearly raising of the sea bottom in the roads.

“Taking a semicircle, of which the radius is $4\frac{1}{2}$ kilometres and the centre the extremity of the pier, and comparing the surveys made in May, 1869, and May, 1873, by Messrs. Larousse and Wharton, we find that during these four years there have been deposited before the entrance of Port Said about 30,000,000 of cubic metres of matter brought thither, or on an average 7,500,000 of cubic metres yearly.

“Dredgers alone cannot arrest this general raising of the sea bottom.

“We have this year dredged a trench 600 metres long, 150 metres wide, and $1\frac{1}{2}$ metres deep, at the entrance of the channel of the outer port, in order to improve the pass.

“This trench, created by the work of a dredger, during three months, has completely disappeared ; it has just been filled up by a single storm.

“Hence the necessity of prolonging each year the pier, in order to maintain the entrance of the channel under the lee of the pier in the constant depth of $8\frac{1}{2}$ to 9 metres.”

From another letter of Colonel Stokes we see how troop-ships are taken through the Canal :—

“As far as I understand, the duties of these

vessels are confined to acting as tenders to her Majesty's troop-ships as they pass through the Canal, but I suppose that in any difficulty they would render any services that might be required of them, such as transporting anchors, laying out hawsers, &c. When the troop-ships require towing through the Canal, the Company's tugs are always employed. The practice of towing them is better discontinued, so that the Company's tugs are less frequently used. For the latter part of the time that they were employed the *Hasty* and *Prompt* paid no transit dues, though previously for each passage of a troop-ship through the Canal they paid these dues — namely, 10 francs a ton on their own gross tonnage, both whilst accompanying the ship, and when on their voyage to or from her.

“Paragraph 14 of Article 13 of the ‘Regulations for the Navigation of the Suez Maritime Canal,’ now in force prescribes that—

“‘Ships towed or accompanied by tugs belonging to their owners will pay fifty centimes per ton as towage dues.’

“‘Such tugs whenever they shall tow or accom-

pany vessels belonging to their own proper owners will be free of any tax whatever.'

"It appears that when her Majesty's troop-ships have been towed through by the Company's tugs, this charge of 50 centimes a ton on the ship has not been imposed, but that it is now claimed under the Company's above quoted regulations.

"In my opinion the Company has acted in excess of its powers in making the above enactment."

It will be seen from this report that Colonel Stokes has misgivings as to the possibility of keeping the entrance to the Canal open. Against this view, however, must be set the cursory nature of his examination, and the deliberate opinions of Sir John Hawkshaw and the two officers who made the survey of 1870.

THE CANAL COMPLETED.

CHAPTER XI.

THE FORCED LABOUR WITHDRAWN.

NOW that the chapter of "English opposition at Constantinople" was concluded, it might be thought that the more suitable course would have been to allow the adventure to pursue its way to success or failure without interference. Strange to say, this trivial system of intrigue was to recommence once more—the scene being shifted to Cairo. It was found, as we have seen, that the new Viceroy—an ambitious man, full of projects for the expansion of his kingdom—was not inclined to view complacently the spectacle of a great French Company in possession of an important portion of his estate. Neither did he relish the heavy pecuniary engagements to which his predecessor had bound him. At first, however, he accepted the responsibility with a certain loyalty, especially as there was some compensation in the cosmopolitan and civilizing character of the undertaking, which was in harmony with his other

vast schemes. Yet from him was to come the first serious check the undertaking met, and which, but for the indomitable energy of its projector, might have shipwrecked the whole.

The part taken by the French Government in all these proceedings seems a little inexplicable, for to the last it was timorous, and only decided in avoiding any patronage of the scheme. Yet those were the days when the championing of French interests was in fashion, and the initiation of every political change was, by courtesy, left to the Emperor. It may have been, as already hinted, the result of deference to that "English alliance" which he always courted, or else a part of that *bascule* policy which the Emperor practised in certain cases where he saw that the issue was likely to go against him. With the old predilection of the French for Egypt, it might have been expected that they would have eagerly supported an enterprise that would have given them a footing in the country, and thus have added to the prestige of the *grande nation*. Considering that the whole Imperial policy exhibited a policy of *coups*, it must be admitted that the Government showed vacillation, and was unable to make up its mind to a course of action.

This lack of support, however, only makes the perseverance of our projector more conspicuous. He had now lost his protector, and his situation was not encouraging. England and Turkey were opposed to him ; his own country lukewarm ; while the new Pasha was presently to show hostility. De Lesseps has lately been loud in his praises for the loyalty with which he carried out his father's engagements—but the Canal had been completed, and it was but prudent to let "bygones be bygones." His acts, however, were not consistent with this loyalty, and had nearly destroyed the undertaking. De Lesseps imputes them altogether to the pressure of the English influence, which it will be found was exerted effectively to the prejudice of the Canal. But this coincided with the Viceroy's designs, as he considered the bargain made by his predecessor a highly improvident one—which it was—and he cast longing looks at the great tracts of territory of which the Company was lord, and at the thousands of serviceable workmen diverted from his own works. Yet already the country was giving evidence of the benefits it had received from the new enterprise.

It was in this state of affairs that the Sultan accepted an invitation from the Viceroy to visit

Egypt. It was hoped that the opportunity would be used to prejudice the works, and that the Sultan might personally influence the Egyptian ruler. The English Ambassador also found his way to Egypt, and inspected the works, and saw enough to make him confess in the frankest manner to the projector, "I must own that we can no longer affect to laugh at what you are doing, we ought rather to envy you. All that I fear is the influence France will acquire by this great scheme."* Contemporaneously with this visit the English Fleet appeared off the coast, and it was believed by the French that this was done with a view to intimidate the Viceroy. Mr. Hawkshaw about this time, at the request of the Viceroy, made a professional examination of what had been done; and declared that the whole, including jetties and other works, was feasible, and that as an engineering work it could be carried out with complete success. But these fair prospects and the compliments of the Ambassador were delusive, and the scheme was never to be so near shipwreck as it was during the next succeeding months. The most immi-

* *Entretiens*, 1864, p. 70.

ment dangers had been surmounted, the principle of the concession itself had been opposed, the possibility of constructing the Canal contested over and over again, political perils had been invoked—all had failed of effect. The idea now was suggested of depriving the projector of the actual means of carrying his scheme into execution. This was ingeniously contrived by starting philanthropic objections to the employment of the forced labour. Here opened a new and disheartening chapter of opposition, which, it must be said, can be traced distinctly to English influence. This pressure took the shape of Ministerial declarations in the House of Commons, with despatches containing remonstrances, which we shall touch on presently. It is thus seen what a current of persistent hostility was maintained during three years, and which took the most Protean forms. So early as 1861, before the death of the late Pasha, this very mode of interference had been discovered and applied.

"The Viceroy," says our projector, "had promised me 20,000 men, but in 1861 he was so tormented, there was so much animosity shown in diplomacy, that he begged me, with a certain justice, not to keep him to his engagements. I myself

advised him to observe great prudence. It was then that I undertook a journey to my friends the Philistines, a population of solid and vigorous workmen.* These he enlisted in the service.

In the following year questions were begun to be put in the House, in answer to which Mr. Layard, with that *brusquerie* which distinguished him where his prejudices were concerned, declared that the use of this forced labour had been denied, but that he believed that thousands were dragged from their homes to work at the Canal. He trusted to the humanity of the Pasha, &c. Considering that all the interior canals, the works on the Nile, and the railways, had been made on this system of forced labour, with perfect indifference on the part of Foreign Powers, it certainly seemed a little singular that sympathy should have been aroused only in the instance of the Maritime Canal.

At this time England was suffering from the cotton famine, as it was called, and an allusion in Mr. Layard's speech, intentional or otherwise, revealed the motive that dictated this philanthropic interest in the oppressed Egyptian fellah. French-

* "Lecture," 1870.

men, at least, could not but associate the idea with some selfish motive. "Such a course of proceeding," said the Minister, "must be associated with great misery, and must seriously interfere with the most advantageous occupation for labour—for instance, *the production of cotton.*"

That enormous numbers of natives were employed on the works there could be no question. When the Canal was commenced a moderate instalment of some 8000 men were all that was needed, but as the operations extended the number expanded to 20,000, and when the Fresh-water Canal had been brought to Lake Timsah, fully double that number was needed. At one time there was 80,000 men. All this labour was supplied on the Fresh-water Canal in pursuance of a formal contract made with the Viceroy. Much misapprehension arose from profuse repetition of the term "forced labour," and people's minds strayed back to the legends of the construction of the Pyramids and other huge works, when wretched natives were employed like beasts of burden, with a reckless destruction of human life. A glance at the contract between the Viceroy and M. de Lesseps will show that the Canal labour was not subject to any oppressive

conditions. By the second article of this agreement it had been stipulated that the labourers should be paid at a rate higher than what was usually paid in Egypt. By the third the amount of work to be exacted from each was defined. By the fifth punishment was to take the shape of a deduction from wages. By the sixth the Company bound itself to maintain hospitals and provide gratuitous medical treatment. By the seventh the Company was to pay the cost of transporting the workmen from their homes ; to deduct only half the wages in case of sickness. Any soldiers who were employed were to receive the same pay as civilians. These seemed liberal conditions. It was a fair retort to make that when the railway from Alexandria was being constructed, none of this solicitude for the oppressed fellahs was manifested. The English Government was anxious that the new and all-important route to India should be opened with all speed ; and, as M. de Lesseps states, the consul was unwearied in pressing the Viceroy to employ additional labour. "He would listen to no objections. In vain it was represented to him that dépôts of water and provisions should be first formed in the desert to support such a multitude. He would hear of no

delay. The results were great privation and suffering, and wholesale desertion.”*

These statements may have been exaggerations, but it is certain that no remonstrance was at that time offered against the employment of forced labour for an undertaking which was thought so advantageous.

Regardless, however, of the inconsistency, the English Government in the month of May proceeded to address formal remonstrances to the French Cabinet on this score, and a series of accusations that seem rather of a petty kind were put forward.

It was urged that in July, 1863, the system of paying the men directly was abandoned, and that portions of the works were allotted to the sheiks, who saw that the task was accomplished, and then received a bulk sum for distribution. Further, that the men were brought to the works in great bands, and that if they attempted to leave before the end of the month they were brought back by force. This was met by a distinct denial, the men being paid personally, though it was admitted that they were under the control of sheiks, who main-

* *Entretiens*, 1864, p. 81.

tained them, and who were themselves highly paid. As it was the custom to pay a portion of the wages in advance, the men could not be allowed to desert until they repaid by their labour what had been thus advanced.

It was then complained that they were brought from enormous distances, that the payments were made to the credit of the Viceroy, who, as it were, contracted for the labour, and supplied biscuit as food, and that the men at the end of this term merely received a certificate from the Company, and no cash.

This again was denied, and appeal was made to numbers of travellers, English and others, who had often witnessed the curious spectacle of such a vast number of workmen receiving their pay. As for bringing the workmen from a distance, the not unfair retort was that this was what the English themselves allowed in the case of the Chinese coolies imported into Australia, and who, it was notorious, were brought over by contractors, who had a lien upon their earnings. As to the charge of contracting with the Viceroy, a reference was invited to the regular balance sheets of the Company for the last three years, in which it would be found that there was

no payment of the kind to the Viceroy. Again, as regards the provisioning of the workmen, it was entirely untrue that the Government provided any biscuits or other food. This was entirely supplied by the Company, who could again appeal to its published reports for a detailed account of the enormous stores accumulated along the works.* The whole seemed a fair justification. At the same time it was idle to suppose that there were no abuses or oppression under such a system. But it is scarcely fair to look for highly civilized usages in such a country. The Company, indeed, seems to have provided for the support of the workmen in a large and sufficient manner. They had a staff of 400 persons whose duties were confined to the supply of food. Later on, towards the year 1865, the works had attracted a concourse of merchant caterers, who were able to furnish everything on the spot, in the regular course of trade.

Two years before the Canal opened the system of imported labour was in full vigour. A vast number of "navvies" were brought from France, chiefly from

* Amounting to about a month's supply, at the rate of 20,000 kilogrammes daily.

Lyons, who were treated in a very liberal spirit. They received an outfit of 60 francs, 18 francs for their support on the voyage, and 30 for their support in passing through Egypt. Their contract was for three years; they received nine francs a day, but their earnings for the month generally came up to 10*l*. A canteen was provided at Suez, as well as lodging-houses, and for three francs and a half all meals were found. The Company, however, protected itself against insubordination, forfeiture of the engagement or desertion, by deducting a franc and a half a day, until the sum it had advanced was reached, which was detained on deposit and restored at the end of the engagement. In this favourable treatment the natives participated, and the rate of native wages rose in proportion. This was, in fact, another of the many incidental advantages of the enterprise.

The Pasha must certainly have been dissatisfied at finding himself hampered with the arrangements made by his predecessor and the heavy charges entailed.

It will be seen from the following extract from the Report of one of the meetings in 1864, how involved were his relations and those of the Company, and what claims they had on him, especially in

regard to the Fresh-water Canal, which the late Viceroy had covenanted to make :—

“L'actionnaire.—Le domaine du Ouady était affermé pour une somme de 150,000 francs pour l'année qui vient de s'écouler ; le revenu n'a été en définitive que de 118,000 francs. Cette diminution a été faite aux fermiers par l'administration, vu le manque d'eau pour l'irrigation. Cette disette d'eau n'est elle pas le résultat du non-achèvement du canal d'eau douce allant du Caire au Ouady, concédé au Pacha d'Égypte pour être terminé le 1^{er} mars 1865 ? N'y aurait-il pas droit à une indemnité à réclamer à S. A. le Pacha pour la perte subie par la Compagnie, et quand le canal sera-t-il fini ?

“M. de Lesseps.—Il y a une erreur dans votre question ; la différence entre le revenu de 1864 et les nouveaux baux faits avec les fermiers est plus considérable que celle que vous venez de signaler. Les comptes présentés ont donné en 1864 un résultat liquide de 118,000 francs pour le Ouady et un revenu brut de 150,000 francs ; l'écart ne provient que de l'impôt, par conséquent, il n'y a rien à dire sur ce point. Mais pour vous faire apprécier les avantages de l'acquisition de cette propriété, je vous rappellerai qu'à l'expiration des trois années de la première pé-

riode, M. Guichard, notre administrateur, a renouvelé les baux avec les mêmes fermiers non plus au prix de 150,000 francs, mais de 500,000. Le Nil ayant baissé d'une façon extraordinaire et le vice-roi devant nous fournir par les canaux intérieurs une quantité d'eau déterminée pour l'alimentation d'eau douce jusqu'à Suez, il en est résulté que les cultivateurs ont été privés de l'eau sur laquelle ils comptaient pour irriguer leurs terres. Cette mesure générale a imposé à tous les agriculteurs des territoires entre le Caire et Zagazig une charge qui a frappé la Compagnie ainsi que tous les autres propriétaires. Nous avons profité comme Compagnie de cette situation qui nous permettait d'exécuter nos travaux, nous en avons souffert comme propriétaires. Nous ne pouvons pas comme propriétaires du Ouady invoquer notre situation de Compagnie ayant droit à telle quantité d'eau qui devait nous être fournie par le vice-roi ; et comme agriculteurs, ayant acheté une propriété, nous devons être soumis à toutes les charges du pays. Dans cette situation, il était juste de tenir compte à nos fermiers du cas de force majeure qui rendait improductives une partie des terres que nous leur avions affermées et de ne pas exiger d'eux l'augmentation des fermages. Grâce à cette mesure

de toute équité, la population, qui sous notre administration s'était élevée de 4 à 11,000 hommes, s'est maintenue ; une bonne partie des terres seront cultivées sinon en coton, du moins en maïs et autres céréales, etc. Nous n'en retirerons pas le prix des nouveaux baux, mais nous en retirerons au moins celui des années précédentes.

“ Lorsque nous avons fait ces nouveaux baux, nous comptons, je le répète, sur un arrosage plus prochain de la partie du canal à la charge du vice-roi ; le choléra et d'autres événements en ont retardé l'exécution ; en attendant, nous devons, comme propriétaires, nous soumettre aux lois du pays, et ne pas mériter le reproche d'étrangers profitant de leur situation d'étrangers pour se soustraire à ces lois. (Très-bien ! très-bien !)”

The charges of oppression in time had their effect as an excuse, at least for those who did not favour the scheme, to interfere. As we have seen, the new Viceroy was never heartily disposed towards the great project of his father. His own grand schemes for the development of the resources of his country needed a vast employment of labour. He was planning the cultivation of cotton and other products on a vast scale. He had determined on opening

great sugar refineries ; and he was not sorry to have an excuse for withdrawing such an army of useful hands. Accordingly in the full tide of its progress the unsuspecting Company received notice that the forced labour was to be withdrawn. The objection came from the Sultan, but there can be little doubt, from the questions put in Parliament in the interest of the Fellah, that it was prompted by this country. Captain Clerk states that the Sultan particularly objected to the clause which secured the sick Fellah only half his pay. This anxiety for the subject castes was certainly not genuine. He also firmly, and more reasonably, refused to sanction foreigners holding grants of land and selling or letting them. The result of these checks was that the works languished, and were at last almost totally abandoned for a period of two years. Now the enemies might fairly triumph, and with another spirit to direct it, it might have become one of those hopeless abandoned " follies " which are found in every country, and of which the stranger learns the history with wonder.

APPENDIX.

OFFICIAL DOCUMENTS.

THE CONCESSION.

*First Concession by his Highness Mohammed Said,
Viceroy of Egypt.*

OUR friend M. Ferdinand de Lesseps having called our attention to the advantages which would result to Egypt from the junction of the Mediterranean Sea with the Red Sea by a passage navigable by large vessels, and having shown us the possibility of constituting a Company formed of capitalists of all nations for this purpose, we have accepted the combinations he has submitted to us, and have given him by these Presents the exclusive power of constituting and directing an universal Company for cutting through the isthmus of Suez and establishing a Canal between the two Seas, with power to undertake or cause to be undertaken, all works and constructions, the Company being charged with indemnifying private individuals in case of expropriation for the public use ; the whole within the limits, conditions, and charges settled in the Articles which follow :—

Art. 1. M. Ferdinand de Lesseps will form a Company, the direction of which we confide to him, under the name of the " Universal Company of the Maritime Canal of Suez,"

for piercing the isthmus of Suez, and opening up a passage navigable by large vessels, the foundation or appropriation of two sufficient entrances, one upon the Mediterranean, the other upon the Red Sea, and the establishment of one or two ports.

Art. 2. The director of the Company is always to be nominated by the Egyptian Government, and chosen, as far as possible, from among the shareholders most interested in the undertaking.

Art. 3. The length of the grant is for ninety-nine years from the day of the opening of the Canal between the two seas.

Art. 4. The works will be carried on at the exclusive expense of the Company, to which all necessary land, not belonging to private individuals, will be granted gratuitously. The fortifications which the Government may see fit to erect are not to be at the charge of the Company.

Art. 5. The Egyptian Government will receive annually from the Company 15 per cent. on the net profits arising from the Company's balance, without prejudice to the interest and dividends accruing from the shares which the said Government reserves to itself at the time of their issue, and without any guarantee on its part for the carrying on of works, or in the Company's operations. The remainder of the net profits will be allotted as follows :—

75 per cent. to the benefit of the Company ;

10 per cent. to the benefit of members founding the Company.

Art. 6. The tariff of the right of way through the Suez Canal arranged by the Company and the Viceroy of Egypt, and levied by the Company's agents, always is to be the same for all nations, no one nation being able to stipulate for any advantage to its own profit in particular.

Art. 7. In the case of the Company judging it necessary

to connect, by a navigable way, the Nile with the direct cutting of the isthmus, or in the case of the Maritime Canal taking an indirect course, which is supplied by the waters of the Nile, the Egyptian Government is to give up to the Company those portions of the public property now uncultivated which would be watered and cultivated at the expense or by the care of the said Company.

The Company will enjoy possession, without taxes, of the said property for the term of ten years from the day of the opening of the Canal; during the eighty nine years which will still remain before the expiration of the grant it shall pay tithes (dimes) to the Egyptian Government; after which time it is only to be allowed to continue in possession of the lands above-mentioned so long as it pays to the said Government the regular tax equal to what is laid on land of the same nature.

Art. 8. To avoid all difficulty on the subject of land given up to the Company, a plan drawn out by M. Linant-Bey, the engineer appointed by us to the Company, will indicate the lands granted, whether for the passage and the establishments of the Maritime Canal and of the Canal of supplies derived from the Nile, or for the purposes of cultivation, in conformity with the stipulations of Article 7.

It is, moreover, understood that henceforth all speculation upon the portions of public lands to be granted is forbidden, and that lands formerly belonging to private individuals, which the proprietors may wish, later on, to be watered by the Canal of supplies made at the Company's expense, shall pay a fine of. . . . on each cultivated feddan (or a sum fixed amicably by the Egyptian Government and the Company).

Art. 9. Power is finally granted to the Company to work all mines and quarries belonging to the public lands without paying for materials necessary for the works of the Canal

and the constructions belonging to it ; also to enjoy free importation of all machines and materials from abroad for the working of the Concession.

Art. 10. At the expiration of the Concession the Egyptian Government will take the place of the Company, and enjoy its rights without reserve, and enter into full possession of the Canal of the two Seas, and all the establishments thereunto belonging. An amicable arrangement or arbitration will determine the indemnity allowed to the Company for the surrender of materials and moveable articles.

Art. 11. The Statutes of the Society must ultimately be submitted to us by the Director of the Company for our approbation. Modifications which may be introduced hereafter must receive our sanction beforehand. The said Statutes will mention the names of founders ; we reserve to ourselves the right to approve of the list. This list will comprehend all persons who, by their labours, their learning, exertions, or capital, have contributed to the execution of the great undertaking of the Suez Canal.

Art. 12. Finally, we promise our good and loyal concurrence, and that of all the functionaries of Egypt, in order to facilitate the execution and administration of these present powers.

Cairo, November 30th, 1854.*

* This first grant has been replaced by a second, bearing date 5th January, 1856, the twenty-third and last article of which runs thus :—
“ Art. 23.—All the provisions of our ordinance of the 30th November, 1854, are revoked, with others which will be found to be in opposition to the clauses and conditions of the present specification, which will only be law for the grant to which it applies.”

TO MY DEVOTED FRIEND, OF HIGH BIRTH AND
RANK, M. FERDINAND DE LESSEPS,—

The grant made to the Universal Company of the Suez Canal having to be ratified by H. I. M. the Sultan, I forward you this copy that you may keep it in your possession. As to the works relating to the excavation of the Suez Canal, they will not be begun until after the authorization of the Sublime Porte.

The 3rd Ramadan, 1271.



(Seal of his Highness the Viceroy.)

True translation from the Turkish.

The Secretary of the commands of his Highness the Viceroy.

(Signed) KOENIG BEY.

Alexandria, May 19th, 1855.

Second Act of Concession and Specification for the Construction and Management of the Great Maritime Suez Canal and Supplementary Works.

(With the Modifications up to July, 1875.)

WE, Mohammed Said-Pacha, Viceroy of Egypt, in consideration of our grant of Nov. 30, 1854, by which we have given to our friend M. Ferdinand de Lesseps exclusive power for the purpose of constituting and directing an universal Company for cutting through the Isthmus of Suez, opening up a passage fit for large vessels, the foundation or appropriation of two sufficient entrances, one upon the Mediterranean, the other upon the Red Sea, and the establishing of one or two ports.

M. Ferdinand de Lesseps having represented to us that, in order to constitute the Company above indicated according to the forms and conditions generally adopted for societies of that nature, it is useful to stipulate beforehand, in a more detailed and complete deed, on one part, the charges, obligations, and rents for which the society will be liable ; on the other the grants, immunities, and advantages to which it will be entitled, as well as the faculties accorded for the administration : We have decreed as follows, the conditions of the grant which is the object of these presents.

§ I. OBLIGATIONS.

Art. 1.* The Society founded by our friend M. Ferdinand de Lesseps, in virtue of our grant of the 30th of November, 1854, must execute at its own expense, risk, and peril, all works and constructions necessary for the establishment.

1st. A Canal for the navigation of large vessels, between Suez on the Red Sea, and the gulf of Pelusium in the Mediterranean.

2nd. A Canal of irrigation, for the navigation of the Nile,

* By a convention which took place on the 18th March, 1863, between the Viceroy and the Company, approved by the general meeting of shareholders of the 15th July of the same year, the Company re-conveyed to the Egyptian Government the section of the Fresh-water Canal comprised in the 2nd par. of the article.

By two other conventions agreed upon January 30th and February 22nd, 1866, and approved by the general meeting of 1st August following, the Company also re-conveyed to the Egyptian Government, by abrogation of the 3rd par. of the article, one of the two branches of the Fresh-water Canal, which flows in the direction of Suez. The other branch, flowing in the direction of Pelusium or Port Said, remained in the hands of the Company.

The conditions of these re-conveyances were regulated by the same convention.

joining the river to the Maritime Canal above-mentioned.

3rd. Two branches for irrigation and alimentation derived from the preceding Canal and bearing their waters in the two directions of Suez and of Pelusium.

The works to be conducted in such a manner as to be finished in six years' time, except in the case of unavoidable hindrances and delays.

Art. 2. The Company are to have all facilities for executing the works with which it is charged, by itself and with administrative powers (*in regie*), or to cause them to be executed by contractors by means of adjudication or otherwise. In all cases four-fifths at least of the workmen employed in these works are to be Egyptians.*

Art. 3. The Canal for the navigation of large vessels shall be of the depth and width fixed by the programme of the scientific International Commission.

In conformity with this programme it shall start from the port itself of Suez; use the basin, so called, of the Bitter Lakes and of Lake Timsah; and will fall into the Mediterranean, at a point of the gulf of Pelusium to be determined by the final plans drawn up by the Company's engineers.

Art. 4. The Canal of irrigation destined for the navigation of the rivers as laid down with conditions of the said programme, is to take its rise near the city of Cairo, follow the valley (Ouady) Toumilat (old land of Gessen or Goshen) and fall into the great Maritime Canal at Lake Timsah.

Art 5. The arms of the said Canal are to branch off from the main body of water, above the outlet into Lake

* The part of this article relating to the employment of Egyptian workmen (*fellahs*) has been abrogated by the convention of February 22nd, 1866, by means of an indemnity.

Timsah ; at which point they will be directed on one side towards Suez, on the other towards Pelusæ, parallel to the great Maritime Canal.

Art. 6. Lake Timsah will be converted into an inland port able to receive vessels of the largest tonnage.

The Company will be bound, moreover, if necessary, 1st to construct an harbour at the entrance of the Maritime Canal to the gulf of Pelusium. 2nd. To improve the port and roadstead of Suez, so as also to afford shelter to vessels.

Art. 7. The Maritime Canal and ports belonging to it, as well as the Canal of junction with the Nile and that of derivation, will always be kept in good order by the Company and at its own expense.*

Art. 8. The owners of property on the bank of the river wishing their land to be irrigated by artificial supplies from the Canals constructed by the Company, may obtain grants from it for this purpose by means of an indemnity or duty, the amount of which shall be fixed by the conditions of Article 17, hereinafter mentioned.†

Art. 9. We reserve the right to appoint on the Board of Management a special commissioner, to be paid by the Company, and who will represent the rights and interests of the Egyptian Government in the execution of the provisions of this present deed.

If the Society's Board of Management be established

* The part of this article relating to the Company's maintenance of the Canal of junction, and the Canal of derivation has been annulled by the conventions of re-conveyance, except in so far as concerns the Pelusian branch of the Canal of derivation retained by the Company.

† The rights of indemnity or duty stipulated by this article in favour of the Company for the artificial supplies it might grant from the fresh-water Canals, have been abolished by the conventions of reconveyance in so far as regards the parts re-conveyed.

elsewhere than in Egypt, the Company will be bound to be represented at Alexandria by a superior agent provided with all powers necessary to secure the furtherance of the work and the relations of the Company with our Government.

§ II. CONCESSIONS.

Art. 10.* In return for the construction of the Canals and the additional works mentioned in the foregoing articles, the Egyptian Government allows the Company, without tax or duty, to enjoy the use of all land not belonging to private individuals which they may require.

Also the use of all land as yet uncultivated not belonging to private individuals, which will be watered and cultivated at the Company's expense and trouble, with this difference: 1st. That the portions of land included in this last category shall be exempt from taxes for ten years only, dating from their connexion with the undertaking. 2nd. That after that term, and until the expiration of the grant, they shall be liable to the obligations and taxes to which the land of the other Egyptian provinces is liable under the same circumstances. 3rd. That the Company can, afterwards, by its own acts or by its assigns, keep possession of this land and the artificial supply of water necessary for its fertilization on undertaking to pay to the Egyptian Government the taxes imposed upon the land under the same conditions.

Art. 11. To determine the extent and limits of the

* By the convention of the 22nd February, 1866, already referred to, the Company renounced the advantages of Articles 10, 11, and 12, in consideration of a pecuniary compensation with the reservations necessary for the uses of the Maritime Canal, for its establishment, its working, and preservation, in conformity with the plans and designs annexed to the grant.

land granted to the Company, under the conditions of the Sections 1 and 2 of Article X. above quoted, reference is to be made to the plans hereto annexed ; it being understood that the lands granted for the construction of the Canals and dependencies free of tax or duty in conformity with Section 1 are shown coloured black, and the lands granted for cultivation by payment of certain dues in conformity with Section 2, are therein shown coloured blue

All deeds to be considered null and void made subsequent to our firman of 30th November, 1854, which will either vest rights of indemnity against the Company in private individuals which have not yet existed with respect to those lands, or rights of indemnity more extensive than they have yet enjoyed.

Art. 12. The Egyptian Government will make over, if occasion arise, to the Company, any private property the possession of which may be necessary to the execution of the work and the administration of the grants, provided the Company pay a just indemnity to the owners.

Indemnity for temporary occupation, or of definitive expropriation is to be regulated amicably as far as possible; in case of disagreement, it will be fixed by a tribunal of arbitration proceeding summarily and composed : 1st, of an arbitrator chosen by the Company ; 2nd, of an arbitrator chosen by the parties interested, of a 3rd arbitrator nominated by us.

The decisions of the tribunal of arbitration to be immediately executory and without appeal.

Art. 13. The Egyptian Government invests the privileged Company, for the whole term of the grant, with power to work any mines and quarries that are public property free of duty, tax, or indemnity, and extract all materials necessary for the purposes of constructing and

maintaining the works and establishments belonging to the undertaking.

It frees the Company, moreover, from all Custom-house dues, of export or import, on the importation into Egypt of all merchandize and materials whatsoever from abroad for the needs of the Company's different works in course of construction or management.*

Art. 14. We declare solemnly, for ourselves and our successors, subject to the ratification of H.I.M. the Sultan, the Great Maritime Canal of Suez to Pelusium and the ports belonging to it, open at all times, as neutral passages, to every merchant vessel crossing from one sea to the other, without any distinction, exclusion, or preference of persons or nationalities, in consideration of the payment of the dues, and the performance of regulations established by the universal privileged Company for the use of the said Canal and its dependencies.†

Art. 15. In consequence of the principle laid down in the foregoing article, the universal privileged Company cannot, in any case, give to any vessel, Company, or private individual, any advantage or favour not given to all other vessels, Companies, or individuals, on the same conditions.

Art. 16. The duration of the Company is fixed at 99 years, counting from the completion of the works and the opening of the Maritime Canal to large vessels.

* By a Convention between the Khedive and the Company passed April 23rd, 1869, approved by the general meeting of the 2nd August following, the Company gave up the exemption from Custom-house dues expressed in the second paragraph of Article 13, in consideration of certain pecuniary compensation.

† The Convention of February 22nd, 1866, explained in its article that no violation was intended of the freedom from Custom-house dues enjoyed by the general transit of the Maritime Canal by vessels of all nations without distinction, exclusion, or preference.

At the expiration of this period, the Egyptian Government will resume possession of the Canal constructed by the Company, on condition, in this case, that the Government take over the materials and provisions in use for the Maritime Service of the undertaking, and pay the Company the value fixed, either by amicable arrangement or official estimate.

Nevertheless, should the Company retain the concession by successive periods of 99 years, the previous deduction for the benefit of the Egyptian Government stipulated by Article 18 hereafter shall be increased for the second period to 20 per cent., for the third period to 25 per cent., and so on, at an increase of 5 per cent. for each period, such deductions not to exceed 35 per cent. of the net profits of the undertaking.

Art. 17. In order to indemnify the Company for the expenses of construction, maintenance, and management placed to its account by these presents, we authorize it, henceforth, and for the term of its possession, as may be determined by paragraphs 1st and 3rd of foregoing Article, to establish and collect for the right of passing through the Canals* and the ports belonging, navigation, all pilotage, towage, or anchorage dues, according to tariffs to be modified by the Company at all times; but under this strict condition :—

1st. The dues to be levied without exception or favour upon all vessels under like conditions ;

2nd. The tariff to be published three months before

* By the terms of the Convention of February 22nd, 1866, and in consequence of the re-conveyance of the Fresh-water Canal, the Company has ceased to have a right to taxes for navigation, pilotage, anchorage, or towage upon the said Fresh-water Canal, as well as to the taxes for artificial supplies of water.

being put into force, in all the capitals and the principal ports of commerce of the countries concerned ;

3rd. For the special navigation dues the maximum of ten francs a ton for vessels, and ten francs a head for passengers not to be exceeded.

The Company may, also, for all artificial supplies of water granted on demand by private individuals, in virtue of Article 8 above-mentioned collect, according to a tariff to be fixed by itself, a duty proportionate to the quantity of water used and the extent of ground watered.

Art. 18. At the same time, since grants of land and other advantages have been bestowed upon the Company by the foregoing Articles, we reserve, for the benefit of the Egyptian Government, a deduction of 15 per cent. upon the net profits of each year settled and allotted by the general meeting of shareholders.

Art. 19. The list of Founder-Members who have assisted by their labours, exertions, and their capital the realization of the undertaking before the foundation of the Society will be determined by us.

After the deduction for the Egyptian Government stipulated in Article 18 above-mentioned, 10 per cent. of the net annual products of the undertaking is to be allotted to the Founder-Members, their heirs or assigns.

Art. 20. Independently of the time necessary for the execution of the works, our friend and representative, M. Ferdinand de Lesseps will preside over and direct the Society as first founder, for ten years, dating from the time when the period of the enjoyment of the grant of 99 years begins, by the terms of Article 16 above-mentioned.

Art. 21. The statutes of the Society thus created under the denomination of Universal Company of the Maritime Canal of Suez are hereby approved ; this present approbation being valid as an authorization of constitution, in

the usual form of "Sociétés Anonymes," dating from the day on which the capital of the Company shall have been entirely made up.

Art. 22. As a testimony of the interest we attach to the success of the enterprise, we promise the Company the hearty co-operation of the Egyptian Government, and by these presents expressly invite all functionaries and agents of the departments of our administration, to afford it their aid and protection under all circumstances.

Our engineers, Linant-Bey and Mougel-Bey, whom we place at the Company's disposal for the direction and management of the works required by it, will have the supervision of workmen and be charged with the execution of regulations concerning the setting up of the works.

Art. 23. All the provisions of our ordinance of the thirtieth November, one thousand eight hundred and fifty-four are revoked, with others which will be found to be in opposition to the clauses and conditions of the present specification which will only be law for the grant for which it applies.

Executed at Alexandria, January 5th, 1856.

TO MY DEVOTED FRIEND, OF HIGH BIRTH AND RANK,
M. FERDINAND DE LESSEPS.

The grant bestowed upon the Universal Company of the Maritime Canal of Suez having to be ratified by H.I.M. the Sultan, I forward you this authentic copy that you may constitute the said financial Company.

As to the works relating to the boring of the Isthmus, the Company can execute them itself so soon as the

authorization of the Sublime Porte has been accorded to me.

Alexandria, the 26 rebi-ul-akher 1272 (January 5th, 1856).



(Seal of his Highness the Viceroy.)

A true translation from the original Turkish, deposited in the State Archives.

*The Secretary of the commands of
his Highness the Viceroy,*

(Signed) KOENIG-BEY.

Decree as to the Native Workmen.

(1856.)

WE, Mohammed-Said Pasha, Viceroy of Egypt, wishing to secure the execution of the works of the Maritime Canal of Suez, to provide for the good treatment of the Egyptian workmen therein employed, and at the same time to watch over the interests of the cultivators, proprietors, and contractors, have laid down, in concert with M. Ferdinand de Lesseps, as President and founder of the Universal Company of the said Canal, the provisions following :—

Art. 1. The workmen employed in the Company's works shall be supplied by the Egyptian Government at the demand of the chief engineers, and as required.

Art. 2. The wages allowed to workmen shall be fixed, according to the average of wages paid for work by private individuals, at the sum of from two piastres and a half to three piastres daily, exclusive of rations to be given in kind by the Company at the value of one piastre.

Labourers under twelve years of age will only receive one piastre, but full rations.

Rations in kind shall be distributed daily, or every two or three days in advance, and in the case of workmen applying for their rations in money, it shall be given them if there is a certainty that they are in a condition to provide themselves with food.

Payment in money shall be made weekly. For the first month, however, the Company will only pay half wages, until a reserve fund of fifteen days' pay has been accumulated, after which the whole of their wages will be made over to the workmen.

The business of supplying drinkable water in abundance for all the requirements of the workmen is at the Company's charges.

Art. 3. The task imposed upon the workmen shall not exceed that fixed in the building of bridges and roads in Egypt, which has been adopted in the large works of making Canals in the last years.

The number of workmen employed shall be settled by taking into consideration the times of agricultural labour.

Art. 4. Order in the workyards shall be kept by the officers and agents of the Government, under the orders and according to the instructions of the chief engineers, in conformity with a special regulation which will receive our approbation.

Art. 5. Workmen not having performed their task shall be liable to a diminution of wages, which shall not be less than a third, and proportioned to the deficit in the work commanded.

Deserters will lose, by the fact alone, the reserve fund of fifteen days' pay. The sum will be put into the box of the hospital, of which mention will be made in the article following.

Those who make a disturbance in the workyards will also be deprived of the reserve fund of fifteen days' pay; they will, moreover, be subject to a fine to be put into the box of the hospital.

Art. 6. The Company shall be bound to shelter the workmen, either under tents, or in suitable sheds or houses. It shall keep up a hospital and ambulances, with the necessary staff and apparatus for the treatment of patients at its own expense.

Art. 7. The travelling expenses of workmen and their families, from the place of departure until their arrival in the workyards, shall be at the Company's charges.

Every workman on the sick list shall receive in the hospital ambulances, besides the care his condition may require, one piastre and a half wages all the time he is unable to work.

Art. 8. Skilled workmen, such as masons, carpenters, stone-cutters, blacksmiths, &c. &c. shall receive the same wages as the Government has been in the habit of allowing for Government works, besides rations in food, or the value.

Art. 9. When soldiers belonging to the regular army are employed on the works, the Company will distribute to each one, as extra pay, ordinary wages, or maintenance, a sum equal to the pay of the civilians.

Art. 10. All baskets necessary for the transport of earth and materials, as well as the powder for working the quarries, will be supplied to the Company by the Government at cost price, provided the demand for them has been made at least three months in advance.

Art. 11. Our engineers, Linant-Bey and Mougel-Bey, whom we place at the Company's disposal for the direction and management of the works, will have the higher supervision of the workmen, and will act in concert with the

manager delegated by the Company to smooth away any difficulties which might arise in the execution of the present decree.

Executed at Alexandria, July 20th, 1856.

(L. S.)



(Seal of his Highness the Viceroy.)

(Translation from the Turkish.)

*Statutes of the Company.**

Abstract furnished to the House of Commons by Mr. F. Reilly.

CHAPTER I.—*Formation and Object of the Society—
Name—Seat—Duration.*

Art. 1. There is hereby formed among the subscribers and proprietors of the shares hereinafter created a Society (*société anonyme*) by the name of *Universal Company of the Maritime Canal of Suez*.

Art. 2. Objects of the Society stated.

The whole, according to the clauses and conditions of the concession resulting from the Ordinances of the Viceroy of 30 November, 1854, and 5 January, 1856.

Art. 3. The Society to have its seat at Alexandria, and its administrative domicile at Paris.

Art. 4. The Society commences from the day of signature of the instrument (*l'acte social*) declaring that the whole

* Approved by Article 21 of the second Concession, above. For the original French text see either Hertselet's "State Papers," vol. iv. p. 981, or "Parl. Papers," Egypt, No. 6 (1876).

of the shares had been subscribed for. Its duration is the same as that of the concession.

Art. 5. Preliminary expenses.

CHAPTER II.—*Capital—Shares—Payments.*

Art. 6. The capital of the Society is fixed at two hundred million francs, represented by four hundred thousand shares of five hundred francs each.

Art. 7. The certificates of shares and debentures, whereof the Council of Administration is to determine the form, to be in Turkish, German, English, French, and Italian.

Art. 8. The amount of each share to be payable in specie at places named.

Art. 9. Instalments to be paid according to calls made by the Council.

Arts. 10, 11, 12, 13. Provisional nominal certificates (scrip).

Arts. 14, 15. Five per cent. per annum chargeable on calls in arrear. Sale by Society of shares on which calls in arrear.

Art. 16. Shares (*les actions définitives*) are to bearer. Transfer of them is effected by mere delivery of the share certificate.

Numbering, signing, and sealing of shares.

Art. 17. The Council may authorize the deposit and keeping at the Society's office of share certificates to bearer. In that case, it determines the form of the nominal certificates of deposit, the conditions of their delivery up, and the securities wherewith this measure should be surrounded in the interest of the Society and of the shareholders.

Art. 18. Each share gives a right to a proportionate part

of the property constituting the assets of the Society (*l'actif social*).

Art. 19. Every share is indivisible. The Society recognises only one proprietor for each share.

Art. 20. The rights and the obligations attaching to a share follow the share-certificate in the hands of the holder.

The possession of a share implies absolute adhesion to the statutes of the Society and to the resolutions of general meetings of shareholders.

Art. 21. Restrictions as to remedies against Society, of creditors, of shareholders, and others.

Art. 22. The shareholders are only liable to contribute the amount of the capital of their shares, and beyond that any call of capital is prohibited.*

Art. 23. The Council may authorize the issue of the share certificates in anticipation, but only by a general measure applicable to all the shareholders.

CHAPTER III.—*Council of Administration.*

Art. 24. The Society is managed by a Council composed of 32 members, representing the principal nations interested in the undertaking.†

A Committee chosen out of the Council is specially charged with the direction and conduct of the affairs of the Society.

Art. 25. Non-responsibility of members of Council personally.

Arts. 26, 27. Members elected by general meeting for

* See Article 73, and Code de Commerce, Article 33 : Les associés ne sont passibles que du montant de leur intérêt dans la société : confirmed by law of 24th July, 1867, Article 21.

† Reduced to 21 by resolution of General Meeting of 24th August, 1871 ; "Report," p. 12.

eight years ; rotation of members, one-eighth going out each year, but re-eligible ; casual vacancies.

Art. 28. Each member must be proprietor of 100 shares, which are inalienable, and remain deposited with the Society during the whole continuance of his functions.

Art. 29. Remuneration.

Art. 30. President and Vice-Presidents.

Art. 31. Meetings. Decision by majority present. Casting vote of President. Quorum.

Art. 32. General Secretary of Company may be present at sittings of Council, with right to join in deliberations.

Art. 33. Minutes of proceedings.

Art. 34. The Council is clothed with the most extensive powers (*des pouvoirs les plus étendus*) for the administration of the affairs of the Society.

It determines the propositions to be submitted to general meetings of shareholders.

It decides on the propositions of the Managing Committee respecting the objects here specified.

Art. 35. Nomination by Council of Managing Committee. Power of delegation of authority to officers of the Company and others.

Art. 36. Voting by proxy in Council not admitted.

When the Council has to deliberate on changes to be made in the tariffs or in the statutes, or on loans or increase of the capital of the Society, on questions of new concessions, on negotiations for union with other undertakings, on the dissolution and the winding up of the Society, the absent members are to have a month's notice of the object of the deliberation, and to be invited to take part in the vote, or to address their opinion in writing to the President, who is to read it at the meeting of Council, after which the decisions of the Council are adopted by the majority of votes of the members present.

CHAPTER IV.—*Managing Committee.*

Art. 37. The Managing Committee is composed of the President of the Council and of four members of it specially appointed.

Arts. 38, 39. Meetings. Minutes.

Art. 40. The Committee is clothed with full powers for the conduct of the affairs of the Society.

It represents the Society, and acts in its name by one or more of its members, in all cases where the intervention of the general meeting of shareholders or of the Council of Administration is not expressly required, especially as regards the objects here enumerated.

Actions are brought by or against the President and the members of the committee. Consequently, notices are to be served by and on the Managing Committee in the name of the Society.

Art. 41. Delegation of authority to servants of the Company and others.

Art. 42. An agent resides at Alexandria.*

CHAPTER V.—*General Meeting of Shareholders.*

Art. 43. A general meeting regularly constituted represents the whole body of shareholders.

Art. 44. A general meeting consists of all shareholders holding at least twenty-five shares.

It is regularly constituted if the shareholders who compose it are in number forty, and represent one-twentieth part of the capital of the Society.

Art. 45. When on a first notice the shareholders present

* Altered by resolution of General Meeting, 2nd June, 1874, so that the Agent may reside anywhere in Egypt; "Report," p. 13.

do not fulfil the conditions above specified in order to give validity to the proceedings of the general meeting, the meeting stands adjourned, and the adjournment cannot be for less than two months.

A second notice is given in the prescribed manner.

The deliberations of the general meeting on this second occasion can only extend to the matters of which notice was given for the first occasion. The proceedings are valid whatever be the number of the shareholders present and of shares represented.

Art. 46. Annual general meeting in the first fortnight of May.*

Extraordinary general meetings may be summoned by the Council of Administration.

Art. 47. Two months' notice of meetings.†

Art. 48. Shareholders, to have a right to be present or represented at a general meeting, must prove, at the domicile of the Society, at least five days before the meeting, that they have deposited their share certificates at the office of the Society, or with a representative of the Company (as here indicated).

Deposits made under these conditions confer a right to tickets of admission by name.

Shareholders having certificates of deposit‡ have also the right to have themselves represented at general meetings by proxies furnished with regular powers, the form whereof is determined by the Council.

Proxies must deposit their papers of authority at

* Altered by resolution of General Meeting of 6th August, 1864, so that the meeting may be held at any time from 1st May to 1st August on the summons of the Council.

† Altered to one month by resolution of General Meeting of 2nd August, 1869; "Report," p. 87.

‡ These are, I think, the certificates provided for by Article 17.

the domicile of the Society five days at least before the meeting.

No one can represent a shareholder at a meeting unless he is himself a member of that meeting.

Art. 49. Chairman. Scrutineers. Secretary.

Art. 50. Resolutions of a general meeting are adopted by a majority of votes of members present or represented.

The Chairman has a casting vote.

Art. 51. Twenty-five shares give one vote. The same shareholder cannot have more than ten votes, either as shareholder or as proxy.

Art. 52. Demand of ballot by ten members.

Art. 53. Minutes.

Art. 54. An attendance sheet, for the purpose of showing the number of members present at the meeting and the number of shares represented by each of them, is annexed to the rough minutes of the proceedings, as are also the proxy powers given by absent shareholders. This sheet is to be signed by each shareholder on coming into the meeting.

Art. 55. The Council settle the agenda (order of the day), for the General Meeting. No question other than those comprised in the agenda can be discussed.

Art. 56. General description of powers of general meeting followed by this :

The approval of a general meeting is necessary for every decision bearing on the following objects (that is to say) :

- (1.) New concessions.
- (2.) Union with other undertakings.
- (3.) Alterations of the statutes.
- (4.) Dissolution.
- (5.) Increase of capital.

- (6.) Loans.*
- (7.) Settlement of accounts on completion of works.
- (8.) Settlement of annual accounts.
- (9.) Appropriation for reserve fund.
- (10.) Declaration of dividend.

Art. 57. Resolutions relating to the objects mentioned in Article 56, paragraphs, 1, 2, 3, 4, 5, and 6, must, to be valid, be adopted by a meeting comprising at least one-tenth of the capital of the Society, and by a majority of two-thirds of the votes of the members present, being at least 50 in number.

Art. 58. Resolutions of a general meeting adopted in conformity with the Statutes bind all the shareholders, even those who are absent or dissenting.

CHAPTER VI.—*Annual Accounts—Sinking Fund—Interest—Reserve Fund—Dividend.*

Art. 59. During the execution of the works an annual payment is made to the shareholders of interest at five per cent. on the sums paid by them in pursuance of Article 9.

Provision is made for payment of this interest by temporary investments and other extraordinary receipts, and, if necessary, out of capital.

Art. 60. Accounts for period of execution of works.

Art. 61. From and after the opening of the Maritime Canal, a general statement of the assets and liabilities of the Society up to 31st December last preceding, is prepared in the first quarter of each year, and is submitted to a general meeting.

* This is the first mention of loans. There is no limitation of amount or other restriction. Art. 62 also refers to loans.

Art. 62. The annual proceeds of the undertaking are applied in the first place in providing in the following order for—

1. The expenses of maintenance and working, the costs of administration, and generally all the charges of the Society.

2. The interest of and sinking fund for loans* which may be contracted.

3. Five per cent. on the capital of the Society, to provide for shares redeemed and not redeemed,† an annual interest of 25 francs a share, the interest attributable to shares redeemed being carried to the sinking fund constituted under Article 66.

4. Four one-hundredths per cent. on the capital, also applicable to this sinking fund.

5. The amount required for creating or keeping up a reserve fund for unforeseen expenses, according to Article 69.

The excess of the annual proceeds, after these various prior charges, constitutes the net proceeds or profits of the undertaking.

Art. 63. The net proceeds or profits of the undertaking are divided in the following manner :‡—

1. 15 per cent. for the Egyptian Government.

2. 10 per cent. for the promoters.

3. 3 per cent.§ for the administrators.

4. 2 per cent for the establishment of a fund for pensions and other benefits for officers and servants.

* Art. 56.

† Art. 66.

‡ The difference between this and Art. 62 is to be noticed. There is no priority here; the several sums would be allocated concurrently.

§ Reduced to 2 per cent. by resolution of General Meeting of 24 August, 1871; "Report," p. 12.

5. 70 per cent.* as a divisible sum, to be divided among all the shares redeemed and not redeemed, without distinction.

Art. 64. Place of payment of interest and dividend.

Payment of interest, 1 July, 1 January.

Payment of dividend, 1 July.

Dividend on account, 1 January, if Council think fit.

Notice of payment.

Art. 65. Interest and dividend not claimed for five years forfeited.

Art. 66. The redemption of the shares is effectuated in 99 years, according to the table of redemption prepared in pursuance of the present Statutes.†

Provision is made for this redemption, as stated Art. 62, by means of an annuity of 0 fr. 04 c. per cent. on the capital of the Society, and of the interest at 5 per. cent. on the shares from time to time paid off.

If it should happen that, in the course of one or more years, the net proceeds of the undertaking were insufficient to secure the payment off of the number of shares to be redeemed, the amount necessary for making up the sinking fund would be the first charge on the reserve fund, and, it failing, on the first net proceeds available for the purpose in subsequent years, in preference and priority to all distribution of dividend.

Drawings for shares to be paid off.

Art. 67. Publication of numbers drawn.

Art. 68. Place for payment of shares drawn.

The bearers of shares redeemed preserve the same rights as the bearers of shares not redeemed, with the

* Increased to 71 per cent. by same resolution.

† This table is not annexed to the Statutes.

exception of the interest at 5 per cent. on the capital which has been paid off to them.

Art. 69. The sum to be appropriated for creating or keeping up the reserve fund (Art. 62) is 5 per cent. on the annual proceeds, after deduction of the charges defined in paragraphs 1, 2, 3, 4, of that Article.

When the reserve fund amounts to five million francs, a general meeting of shareholders may, on the proposal of the Council, reduce or suspend the annual appropriation, to be resumed when the reserve fund is reduced below that amount.

Art. 70. The part of the annual profits set apart for the promoters is represented by special instruments of title, whereof the Council determines the number, the nature, and the form.*

The provisions of Articles 17, 18, 19, and 21, relating to shares, are equally applicable to those instruments. Interest of promoters in lands.

CHAPTER VII.—*Alterations of the Statutes—Liquidation.*

Art. 71. If experience shows the advantage of modifications in or additions to the present Statutes, the general meeting provides for the same. (Art. 57.)

The resolutions of a meeting in this behalf can, however, only be put in execution after the approbation of the Egyptian Government.

Full powers are given beforehand to the Council, by a majority of two-thirds of the votes of the members present at a meeting specially summoned for this purpose, to consent to changes which the Egyptian Government may think necessary to make in alterations voted by a general meeting.

* These are the instruments called *Parts de Fondateur*.

Art. 72. In case of dissolution of the Society, a general meeting, on the proposal of the Council, determines the mode to be adopted either for liquidation or for the constitution of a new Society.

CHAPTER VIII.—*Jurisdiction—Disputes.*

Art. 73. The Society being constituted with approbation of the Egyptian Government, *sous la forme anonyme*,* by analogy to the *sociétés anonymes* authorized by the French Government, it is governed by the principles of these last mentioned Societies.

The Society, although having its corporate seat *siège social*) at Alexandria, elects to have its domicile for legal and jurisdictional purposes (*domicile légal et attributif de juridiction*) at its administrative domicile at Paris, where all notices are to be served on it.†

Art. 74. All contentious matters arising among the members of the Society with reference to the execution of the present Statutes, and in relation to the affairs of the Society, are decided by Arbitrators named by the parties, one for each; so that not more than one Arbitrator be named for all the parties representing one and the same interest.

The appeals from these decisions are taken to the Court of Appeal at Paris.

Art. 75. Contentious proceedings relating to the general

* In 1872 proceedings were begun by some shareholders with a view to the conversion of the Company into a French *société anonyme*, governed by Law of 24 July, 1867. The Council opposed, and the General Meeting rejected the proposal. "Report," 12 March, 1872.

† 1866-7. Proceedings taken by Company in French Courts. "Report," General Meeting, 1 August, 1867, p. 42.

1871-3. Litigation in Paris with Company of Messageries Maritimes.

and collective interests of the Society cannot be taken either against the Council of Administration or against one of its members except in the name of the whole body of the shareholders, and by virtue of a resolution of a General Meeting.*

Every shareholder who desires to institute a contentious proceeding of this kind is to give notice thereof to the Council fifteen days at least before the General Meeting, the notice to be supported by the signature of at least ten shareholders, being in a position to attend the Meeting. The Council is then bound to put the question among the Agenda of the meeting.

If the proposition is rejected by the meeting, no shareholder can reproduce it in legal proceedings in his own interest. If it is admitted, the Meeting appoints as a Committee one or more persons to conduct the proceedings.

Notices arising out of the proceedings can only be addressed to that Committee. In no case are they to be addressed to the shareholders personally.

CHAPTER IX.—*Special Commissioner of Egyptian Government attached to Company.*

Art. 76. In conformity with the *cahier des charges*, a special Commissioner is attached to the Company, at its administrative domicile, by the Egyptian Government.

The Commissioner is empowered to take cognizance of the operations of the Society, and to make all communica-

* A French Court (Tribunal Civil de la Seine) is stated to have held that a shareholder cannot bring an action against the Council without the consent of a General Meeting. "Report," General Meeting, 1 March, 1872, p. 11.

Various proceedings by shareholders appear. "Report," General Meeting, 31 July, 1872, pp. 8, 9.

tions or notifications necessary for the accomplishment of his functions, with a view to the execution of the *cahier des charges* of the Concession.*

CHAPTER X.—*Transitory Provisions—First Council of Administration.*

Art. 77. Constitution and special powers of first Council, to continue for five years after opening of Maritime Canal, with power to fill up vacancies, with saving for M. de Lesseps' presidency (Art. 20 of Second Concession).

CHAPTER XI.—*Publication.*

Art. 78. Publication of copies of Statutes.

The Viceroy having taken cognizance of the proposed Statutes, whereof the original, containing 78 Articles, is deposited in his archives, declares that he gives to the said Statutes his approbation, to the end that they may be annexed to the Concession and *cahier des charges* of even date herewith.

Financial Agreement containing the first settlement of account with the Egyptian Government respecting its Subscription.†

August 6th, 1860.

In the present instrument is contained the following agreement respecting the shares of the Company which are to be inscribed in the name of the Viceroy to the number of 177,642.

Art. 1. There shall be carried in the books of the Com-

* Second Concession, Art. 9.

† "State Papers," vol. lv. p. 997.

pany to the debit of the Viceroy, as from 1 January, 1859, the amount of the two first instalments of one-tenth each.

	Fr.	c.
Equal, at 100 fr. a share, to	17,764,200	00
Deduct sum to be credited to him for capital and interest of payments already made . .	2,394,914	52
Balance due by him	15,369,285	48
Deduct interest due to him on sums paid by him between 1st January, 1859, and 31st December, 1859	121,242	60
Balance due to Company	15,248,042	88

Art. 2. This balance shall be paid to the Company in bonds (*obligations* ; *sanad talab*) on the Egyptian Treasury to fall due at the times here stated, with interest at ten per cent. per annum, from 1st January, 1860, to the times of payment (which end on 8th December, 1866).

Art. 3. The bonds shall be accepted by the Company as cash, and their amount shall be passed to the credit of the account current of the Viceroy as from 1 January, 1860.

Art. 4. The amount of the two first instalments of one-tenth each on the shares having been thus paid, interest at five per cent. per annum shall be placed to the credit of the Viceroy, as from 1 January, 1860, and shall be paid half-yearly, 1 January and 1 July. The amount of this interest shall be deducted from the ten per cent. interest to be calculated on the amount of the bonds.

Art. 5. In conformity with the preceding Articles the Company is to deliver to the Viceroy shares equivalent to the amount of the sums so paid by him.

Art. 6. The remaining eight-tenths of the amount of the shares shall only be paid by the Viceroy as from 1 January, 1867, and up to 15 January, 1875, by one-eighth part a year divided equally over the several months of the year. The payment of these eight-tenths shall be effected by

means of bonds on the Treasury falling due at the times mentioned in the present Article, carrying interest equal to that which the shares are to carry, whereof the bonds are the equivalent, so that the interest on the two sides may be balanced.

Agreement between the Company and the Egyptian Government as to the Fresh-water Canal from Cairo to Ouady.

March 18th, 1863.

(By this Concession the Company were bound to make this portion of the Canal, but it was admitted that the difficulties of expropriation so near Cairo would be enormous if the Company undertook it, and that it would be more suitable for the Government to do so.)

By Art. 1 the Company resigned its right, and agreed to enlarge its own section of the Fresh-water from Neficke to Suez so as to be navigable instead of merely suitable for irrigation.

By Art. 2 the Canal was to be of the dimensions settled by the International Commission, and to be constructed under supervision of the Company.

By Art. 3 the Government engaged to make no navigation charges on vessels entering or coming from the Company's Fresh-water Canals.

Art. 4 fixed a mode of arbitration in case of dispute. The whole was signed by Nubar Pasha and De Lesseps.*

* See "Parl. Papers," Egypt, No. 6, 1876, where the whole of these documents will be found at length, in the original French.

Financial Agreement for Settlement of the Balance of Payments on Shares subscribed for by Egyptian Treasury.

March 20th, 1863.

In execution of the engagements contracted by the Egyptian Government it has been agreed between the Viceroy and the Company to liquidate in the following manner the participation of the Egyptian Government in the subscription of the capital of the Company.*

The account of the subscriptions of the Egyptian Government to the capital of the Company settled up to 1 January last is as follows :

The Egyptian Government is subscriber for 177,642 shares.

	Fr.	c.
The 300 frs. a share already called constitute a total debit of	53,292,600	00
From which deduct—	Fr.	c.
1. The amount of the advances made by the Egyptian Treasury for surveys and other preliminary purposes	2,516,157	12
2. Interest at 5 per cent. on that sum from 1 January, 1860, to 1 January, 1863, for the half-yearly coupons applicable to the instalments which this sum represents on account of the first call of 100 fr. made at the time of the subscription, 3 years .	377,423	55
3. The amount of the capital of the bonds already delivered to the Company (value as on 1 January, 1860) for the balance of the first call of 100 fr. a share	15,248,042	10
	<hr/>	18,141,622 77

Difference to the debit of the Egyptian Government on 1 January, 1860 (the interest due for this capital being set off against the half yearly coupons of the shares) . 35,150,977 23

* "State Papers," vol. lv. p. 1002.

Whereas it is expedient to accomplish two objects—first, to release the Egyptian Government in relation to the Company, according to the resources and convenience of its Treasury, by placing it in a position equal to that of all the other shareholders, so that it will be able to have the free disposition of its documents of title ; secondly, to enable the Company to realize its capital according to its wants.

Art. 1. The Company preserve the free disposition of the bonds of the Egyptian Treasury already delivered to it in conformity with the agreement of 6th August, 1860.

Art. 2. For effecting the discharge of the second and third instalments of 100 francs, payable on the 177,642 shares, for which the Egyptian Government is subscriber, the Government engages to pay to the Company, as from 1st January, 1864, month by month until complete payment, the sum of one and a half million francs a month.

It is well understood, that in conformity with previous agreements, the sums paid by the Egyptian Treasury shall, as they are received by the Company, be placed to the credit of the account of the subscriptions opened with the Viceroy, and shall carry the interest at 5 per cent. per annum, belonging to the half-yearly coupons due on the shares ; the interest reciprocally due for the surplus being set off.

Art. 3. The Government reserves the option, when the convenience of its treasury requires, to remit to the Company the amount of the monthly payments above agreed for in paper (*bons*) of the Treasury, negociable and under the following conditions :—

(1.) The charges of discount and of negotiation shall be borne by the Government, so that the Company may always receive payment without deduction and in specie.

(2.) The paper is to be delivered to the Company a month at least before date of payment.

Art. 4. For the two other fifths, the Government reserves to itself the right when the Company makes a call on its shareholders to make, in agreement with the Company, such arrangements as will suit the state of the Treasury.

Interposition of Porte.

April 6th, 1863.

The Porte, seeing in the concession of the Fresh-water Canal and of vast tracts of land a menace to its independence, and in the stipulations for the providing of workmen a contravention of the laws under which the Ottoman Empire is governed, declared, by a diplomatic note of this date, addressed to its representatives in Paris and London, its opposition to the continuance of the works.*

Arbitration by Emperor of French.

July 6th, 1864.

The total sum awarded by the Emperor was eighty-four millions of francs. Payment was to be spread over a period of 15 years, ending with 1st November, 1879. The amount was made up as follows :†—

	Fr.
Compensation for substitution of machines and European workmen for Egyptian workmen . .	38,000,000
Compensation for resumption of land granted . .	30,000,000
Compensation for dues to be levied on Fresh-water Canal	6,000,000
Repayment of sums expended for works done or to be done at Fresh-water Canal	10,000,000
Total	84,000,000

* "State Papers," vol. lv. p. 1006 n.

† Published in the *Moniteur* 2nd August, 1864; in Lord Cowley's despatch of 2 August, 1874. "State Papers," vol. lv. p. 1004.

Agreement with Egyptian Government.

January 30th, 1866.

Art. 1. Egyptian Government to keep strategical points.*

Art. 2. Power for Government to occupy sites for post-offices, customs, barracks, and other services.

Art. 3. Right of individuals to establish themselves along the Maritime Canal.

Arts. 4, 5. Egyptian Government to take possession of the Fresh-water Canal on terms here specified.

Art. 6. Company sells to Government property of the Wady (Toumilat) for ten million francs.

Art. 7. If Fresh-water Canal delivered by Company to Government in 1866, sums due by Government as well on this account as for purchase of property of Wady (together twenty million francs) shall be paid to the Company between 1st July and 1st December, 1866.

In case the call remaining to be made on the shares is made recoverable by the Company in 1866 the amount of the sums due on this head by Government, being seventeen and a half million francs, or thereabouts, shall be paid to the Company between 1st January and 1st December, 1867.

The sums forming the balance of compensation agreed to by Government recoverable after 1st November, 1866 (about 57,750,000 fr.), shall be paid to Company between 1st January, 1867, and 1st December, 1869, as here specified.

All payments to be made to the Company in *francs effectifs*.

* "State Papers," vol. lvi. p. 274.

*Agreement with Egyptian Government made in execution
of the Emperor's Award.*

February 22nd, 1866.

Recitals of the instruments above-mentioned of 30th November, 1854; 5th January, 1856; 20th July, 1856; 18th March, 1863; 20th March, 1863; 30th January, 1866.*

The Porte, on being solicited in conformity with the Concession of 5th January, 1856, to give its ratification to the Concession of the undertaking of the Canal, declared, by a Note of 6th April, 1863, the conditions to which this ratification was subjected :

In order to give full satisfaction in this respect to the Porte, an understanding has been come to between the Viceroy and the Company, embodied in the Agreement whereof the clauses and stipulations follow :

Art. 1. Revocation of instrument of 20th July, 1856, regulating employment of Egyptian workmen, and of part of Article 2 of Concession of 5th January, 1856, relating to same subject.

Egyptian Government to pay as compensation 38,000,000 francs.

Company to procure for itself, without privilege and without restriction, the necessary workmen.

Art. 2. Company renounces benefit of Articles 7, 8 of Concession of 30th November, 1854, and of Articles 10, 11, 12, of that of 5th January, 1856.

Art. 3. Compensation due to Company by Government for surrender of lands, 30,000,000 fr.

Art. 4. Extent of lands to belong to Company, fixed by plans and tables annexed.†

* "State Papers," vol. lvi. p. 277.

† Report of Commissioners appointed to fix the boundaries of the

Arts. 5, 6, 7. Company surrenders to Government the second part of the Fresh-water Canal between the Wady, Ismailia, and Suez, on terms here specified.

Art. 8. Total compensation due to Company 84,000,000 fr., to be paid to it by Government, with residue of the amount of the shares of Government, in case of Company making a call in 1866, and 10,000,000 fr., price of sale of Wady, in manner indicated in table annexed.*

Art. 9. The Maritime Canal and its appurtenances remain subjected to the Egyptian police, which shall exercise its functions freely, as at every other point of the territory, so as to secure good order, the public peace, and the execution of the laws and regulations of the country.

The Government to enjoy the right of passage *à travers* the Canal without charge.

Arts. 10, 11. Government to occupy positions for defence for post-offices, and other establishments.

Art. 12. Right of individuals to settle along Canal.

Art. 13. It is understood that the establishment of Customs services is not to interfere in any way with the freedom in respect of Customs duties of the general traffic carried *à travers* the Canal by vessels of all nations without distinction, exclusion, or preference in respect of person or of nationality.

Art. 14. Egyptian Government, in order to insure the faithful execution of the Agreements between it and Company, to have a right to keep, at its own expense, a Special Commissioner attached to Company and at works.

lands necessary for the proper working of the undertaking of the Maritime Canal, and to be enjoyed by the Company during its Concession, printed in "State Papers," vol. lvi. p. 285.

* This Table is printed in "State Papers," vol. lvi. p. 284. It provides for payment of 101,850,000 francs, by instalments, ending 15 December, 1869. These payments have been made.

Art. 15. It is declared, by way of interpretation, that at the expiration of the 99 years of the concession of the Canal of Suez, and in default of any new agreement between the Egyptian Government and the Company, the concession shall absolutely cease.

Art. 16. The Universal Company of the Maritime Canal of Suez being Egyptian, it is governed by the laws and usages of the country; at the same time, as regards its constitution in the character of a Society, and the relations of its members among themselves, it is, by virtue of a special Agreement, regulated by the laws which in France govern the *sociétés anonymes*. It is agreed that all disputes on this head shall be decided in France by arbitrators, with appeal to the Imperial Court of Paris as umpire.

Differences in Egypt between the Company and individuals, to whatever nationality they belong, shall be judged by the local tribunals, according to the forms prescribed by the laws and usages of the country and the Treaties.

Disputes arising between the Egyptian Government and the Company shall also be submitted to the local tribunals, and decided according to the laws of the country.

The overseers, workmen, and other persons belonging to the administration of the Company, shall be judged by the local tribunals according to the local laws and the Treaties, in respect of all offences and disputes where the parties are natives, or one of them is a native.

If all the parties are foreigners, proceedings among them shall be carried on in conformity with established rules.

Every notice to the Company by a party interested in

Egypt shall be valid if given at the seat of administration at Alexandria.

Art. 17. All former instruments, concessions, agreements, and statutes, remain in force in all provisions not inconsistent with the present agreement.

Firman of Sultan.

March 19th, 1866.

My illustrious Vizier, Ismail Pasha, Viceroy of Egypt, and so forth :*

The realization of the great work destined to give new facilities to commerce and for navigation by the cutting of a Canal between the Mediterranean and the Red Sea being one of the most desirable events in this age of science and of progress, conferences have been had for some time past with the Company which asks authority to execute this work, and they have ended in a manner conformable, as regards the present and the future, with the sacred rights of the Porte, as well as with those of the Egyptian Government.

The agreement, the tenor of the articles whereof here follows in translation, has been drawn up and signed by the Egyptian Government, in conjunction with the representative of the Company ; it has been submitted for Our Imperial sanction, and, after having read it, We have given Our assent to it.

(Here follows at full length the Agreement of 22nd February, 1866.)

The present Firman, emanating from Our Imperial

* "State Papers," vol. lvi. p. 293.

Divan, is delivered to this effect, that we grant Our sovereign authorization for the execution of the Canal by the said Company, on the conditions prescribed in that Agreement, as also for the regulation of all accessory matters according to that Agreement, and the instruments and agreements therein incorporated and referred to, which form an integral part thereof.*

Agreement with Egyptian Government.

April 23rd, 1869.

Article 1. Company to be subject to Customs and other duties and taxes.

Art. 2. Surrender of all claims on part of Company respecting Fresh-water Canal.

Art. 3. By consent of both parties it is understood that the Company has no other object than the working, maintenance, and improvement of the Maritime Canal. It consequently retires into the position which it would have as of common right, and renounces every special exception, liberty, or privilege. Accordingly, the Government shall henceforth exclusively perform post-office and telegraph services for the Company, as for the public. The Company shall preserve, however, the liberty of having its special telegraph for its services connected with the works, and the transit of vessels in the Maritime Canal.

Fishing; Fishing Boats.

Art. 4. Sale of lands appurtenant to Canal. Sale money to be divided equally between Government and Company.†

* This includes the Statutes.

† This is regulated by a special agreement of even date, with an Additional Article published in "Report," General Meeting, 2 August, 1867, p. 27.

Art. 5. The Company renounces, in relation to the Egyptian Government, all claim or compensation whatever, as well on its own account as on that of its contractors, in respect of any real or alleged damage anterior to the date of the present Agreement.

Art. 6. The advantages accruing to the Government from the preceding Articles are taken by agreement as of the value of 20,000,000 fr.

Arts. 7, 8, 9. The Company grants to the Government for 10,000,000 fr. buildings and property here specified, on terms.

Art. 10. The payment of the 30,000,000 fr. before stipulated, shall be made by the Government to the Company, by means of the immediate delivery of so many coupons of interest on shares of the Company as will be necessary to pay that sum, with interest at 10 per centum per annum, detached from the 176,602 shares in the Company whereof the Government is proprietor.

The coupons to be delivered up shall be those which will begin to fall on 1st January, 1870.

In consideration of this surrender of coupons, as above expressed, the President Director gives, as from this time, in the name of the Company a good and effectual receipt to the Viceroy for the said sum of 30,000,000 frs.

END OF VOL. I.

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THE GREAT CANAL

AT

SUEZ.

SUEZ CANAL.



THE GREAT CANAL

AT

SUEZ:

*ITS POLITICAL, ENGINEERING, AND
FINANCIAL HISTORY.*

WITH

AN ACCOUNT OF THE STRUGGLES OF ITS PROJECTOR,
FERDINAND DE LESSEPS.

BY

PERCY FITZGERALD, M.A.

IN TWO VOLUMES.

VOL. II.

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THE GREAT CANAL.

CHAPTER XII.

THE ARBITRATION.

IT was impossible to conceive the consequences of so disastrous a check. The scale of cost for European workmen, could they be procured, would be out of all proportion to the resources of the undertaking. Native labour alone was thought capable of executing the peculiar description of work required. But our intrepid projector, not disheartened, was equal to the emergency. The crisis only drew forth his reserve of energy and resource. During the period of suspension, we may conceive how earnestly he strove and toiled. The Viceroy, he always maintained, was favourable to his cause, and was forced to act as he did. He "proved most loyal to me," he adds. But these praises were uttered after the Canal was opened, and when all "had come right," and the sagacious Frenchman was.

not likely to rake up an old quarrel. The present Khedive, with all his schemes of acquisition on hand, could not have looked with favour on the ambitious Company, to whom large tracts of his territory had been assigned by his predecessor.

The idea of arbitration was now pressed on De Lesseps. A solemn contract, the carrying out of which was a vital part of the scheme, had been broken. The interests of a large number of Frenchmen of all classes were in peril. The next step was an appeal to the French Emperor to interfere and arbitrate. This proposal amounted to the invoking of French protection, and the Emperor, however indisposed, could not afford to be indifferent to the interests of his subjects, which were so largely involved.

In addition to the withdrawal of the forced labour, the Viceroy had made other claims of a serious kind, demanding back some of the lands along the Canal which had been conceded to the Company. He was in short, not prepared to adopt his father's plans, but inclined to obstruct the progress of the Company. This was perhaps the most serious difficulty the enterprise had yet met with. It may have been that the Porte and the Viceroy had,

during their late meeting, cemented some kind of *entente*; for the former had authorized this appeal to the Emperor's arbitration, at the same time declaring that it would make its concession of the long-sought firman depend on the result of that decision. The Viceroy, M. de Lesseps assures us, was also most eager to have the matter referred to an arbitration which he could hardly hope would have been favourable to his interests. It might therefore be supposed that, the three parties concerned being favourable to the scheme, there was no need to call in any one to decide between them. But the whole makes a sort of diplomatic puzzle.

The Emperor accordingly, early in 1864, nominated a commission, presided over by M. Thouvenel, which was to examine into the whole question, collect facts, and virtually decide on the matters in dispute. When De Lesseps was called before the commission he adroitly pressed for a declaration that the decision was finally to determine the position of the Company, and that, "admitting that their position was irregular, that this should formally make it regular." He argued with much force that the dispute as to matters of mere detail was virtually a concession of the principle, and that it was due to

the dignity of the Emperor that his decision should be accepted as an authorization of the whole scheme. The head of the commission gave him in reply a formal assurance to this effect.

"We can have no faith in the Emperor's word, or in the power of France, if we are to suppose that after the decision you should still have political difficulties, or that the firman should be withheld."*

In due course judgment was given. By the award made in July, 1864, it was determined as follows :†—

"The concessions of November, 1854, and January, 1856, had the form of a contract, and were binding on both parties: that, as by the withdrawal of fellah labour the cost of the works would be increased, the Viceroy should pay an indemnity of 1,520,000*l.* on that account: that the Company should cede to the Viceroy all their fresh-water canals, reserving only the right of passage through them: that the Viceroy should pay 400,000*l.*, representing the cost of the construction of the canals, and 240,000*l.* as compensation for the tolls which the

* "Conference," 1865, p. 41.

† See the official papers for the document in full. It is embodied in the Convention of 1866.

Company thereby relinquished : that the Company should retain only such lands along the line of the Maritime Canal as might be necessary for the care and maintenance of the said Canal : that the Company should cede to the Viceroy their title to all lands capable of cultivation by means of irrigation from the Fresh-water Canals, and for which the Viceroy should pay 1,200,000*l.*”*

The indemnity amounted to a sum of over three millions sterling.

Large as it may appear, this was but indifferent compensation for all that the Company had been deprived of. They had intended taking up the rôle of land dealers, and might have reckoned on making enormous profits out of the vast tracts which their works had rendered fertile. The fascination which the character of the projector had exercised over his patron could not be more fitly illustrated than by these lavish and substantial concessions. About 150,000 acres was the amount of the territory thus taken from them;† the sum therefore granted by no means compensated for the loss of the forced labour. In excavating one cubic yard, the cost by fellah

* Captain Clerk, *supra*.

† *Ibid.*

labour was about tenpence, while later the cost was more than three times that sum. This clause withdrew, for the short time it remained in force, some 40,000 labourers; for, although only one-half of that number were employed on the works, there were always 20,000 on their way to and from their homes.

“In Egypt all lands belonging to the Viceroy are farmed on this forced labour system, or *corvée*, as the French call it. Some 100,000 fellahs are drafted monthly from their villages for this, and for any other service on which the Viceroy may think proper to employ them. The police in the districts make levies in all the villages. The strong and robust peasants are taken. There remain only the old and feeble to attend, not only to their own crops, but also to those of the absent villagers. Men and cattle are marched off to work during one whole moon, either on the viceregal lands or on any other description of work. It is surprising to observe how industriously these men toil, notwithstanding the disadvantages of their position, and the little superintendence they require.”

The question regarding the powers of the Company to sell lands, or to be allowed to let them on

favourable terms at either of the three ports, or in their vicinity, is one that vitally affects their pecuniary interests. The lands originally granted have been, as we have seen, greatly reduced in extent, but the Company still retain 25,000 acres, and although they have not yet been permitted to alienate any of this property, they are allowed to let such portions as may be applied for by steam navigation or trading companies, or by private individuals for commercial purposes ; but only as a temporary measure, pending the settlement of the question. The following are the terms :—"The lessee is entitled to hold such land as he may obtain from the Company for ten years, paying at the rate of three francs per metre." At the expiration of this term the lands, and any buildings thereon, revert to the Company. By this means the Company anticipate that they will recover the capital and interest expended on all lands reclaimed or improved by them. They also own properties at Damietta, at Cairo, and in Paris : all these properties are now worth much more than they originally cost.

There can be no question as to the prospective value of the lands belonging to the Company. The restriction of selling does not apply to the properties

at Damietta and Cairo, as these were purchased, and not ceded. Much correspondence passed between the Company and the Egyptian Government on this subject.*

This arrangement being happily entered into, at length the long-suffering Company and its projector might congratulate themselves on the old obstacles being removed, and resume their suspended labours. But they had to deal with the slow Easterns, who were likely to pretend that the real question had not been touched by the Emperor's decision. The firman was still not forthcoming, and was not granted until two years later. It was announced, indeed, at the opening of the French Chambers, that "the Sultan had declared that all the conditions that he required had been complied with."† While the matter was in suspense our projector, addressing an audience of shareholders, was enabled to stay their impatience by such an explanation as the following:—"Who talks to us about firmans at this time of day? Have we not the firman of the Emperor and of France, —and without being wanting in respect to the

* Captain Clerk.

† "Conference," 1865, p. 41.

Turkish Empire, I will merely say, that the sense of justice of the Emperor, and the support of France, are warrants worth all the firmans of the Turks." This produced an explosion of bravos.*

This delay, however, served the purpose of those who wished to propagate rumours damaging to the Canal. There were many of these enemies, disappointed speculators, denied a share in the gains of the enterprise, and who, as De Lesseps complained, would take up the line of hostility from which the English had retired.

The works were now rapidly pushed on. In England, indeed, the Canal had come to be looked on as a plaything with which a clever and an enthusiastic mountebank was amusing his gulls. It was almost forgotten, and its progress disbelieved in. It was with some surprise therefore that it became known, that on August 15th, a boat laden with coal had passed from the Mediterranean to the Red Sea. This gratifying fact, the news of which was telegraphed to the Emperor and duly acknowledged with congratulations, was not the same statement as that a boat had passed through the Canal; for

* "Conference," 1865, p. 42.

only half of the channel was ready, and that to a very slight depth ; the remaining portion being the Fresh-water Canal from Ismailia to Suez, joined to the main Canal by sluices. Still, as was said, the two seas had been joined by water and by a channel of some description.

At last, in 1866, the terms of the arbitration were embodied in a formal Convention between the Pasha and the Company, the terms of which were substantially the same as those imposed by the Imperial arbitration. Shortly after came the long-sought firman, which had been twelve years on its way. The position of the Company was now unassailable. The Pasha fulfilled his engagements loyally. Every month he paid 150,000*l.* with the utmost regularity, and there was now a prospect of general harmony between all the parties.

CHAPTER XIII.

OPENING OF THE SLUICES.

WE pass on to the year 1869. We have seen what exertions were made to push on the works by means of energetic contractors and powerful machinery. These efforts were crowned with success. We have already followed, in the last chapter on the Canal works, all the means that were employed to save labour and bring the enterprise to a conclusion.

In this year the Prince and Princess of Wales were travelling in the East, and our projector, always eager to seize on anything that would lend *éclat* to his darling scheme, determined to have a ceremonial, and, under their Royal auspices, celebrate the letting of the waters into the huge reservoir of the Bitter Lakes. The Canal was not by any means complete. The great Chalouf cutting, close to Suez, was still in progress. But everything bid

fair for having the Canal finished by the end of the year.*

"The Prince and Princess left Cairo to visit the Suez Canal works on the 24th of March, having first taken leave of the Viceroy and his Court. They started by the railway at one o'clock in the afternoon, and at half-past six their train arrived at the Suez station, on the platform of which was drawn up a guard of honour, with a band. The English Consul, Major Clerk, in charge of some English troops in transit, and Captain Roberts, of the Engineers, with the Egyptian naval and military officers stationed at Suez, received them, and the crowd of Europeans broke into a hearty cheer. They alighted and walked between lines of troops to the entrance to the Suez Hotel, where another military band took up the strains of 'God Save the Queen,' while the shipping in the roads opened with a Royal salute. Inside the hotel, so well known to Indian voyagers, M. de Lesseps was waiting, with M. Lavalley and M. Borel, the contractors, who were requested to

* The account that follows is given by the representative of the *Illustrated London News*. It is so satisfactory and picturesque that it has been adopted here, the phraseology being altered where it savoured of the conventional newspaper style.

come to the Royal dinner table; the Governor of Suez, Major Clerk, Mr. West, Betts Bey, and M. Larousse being also invited. De Lesseps sat on the left of the Princess of Wales. The band outside on the sea esplanade performed during the banquet, and in the evening there were illuminations.

"Next day, in accordance with the programme agreed upon with M. de Lesseps, the Prince and Princess, and most of those in attendance, started at nine o'clock in the train, and were conveyed to the end of the pier which runs out into the old roadstead, and at the extremity of which are the docks, made by the Suez Canal Company, and dry dock. The Royal party was led round the docks by M. de Lesseps and M. Larousse, the principal engineer of the section, and were waited upon by the Egyptian naval and military authorities. After a close look at the various works, the party embarked on board H.M.S. *Prompt*, in charge of an English naval officer, and crossed over to the opposite side of the channel or sea arm, near the west extremity of which Suez is situated, in order to inspect the Canal itself where it comes out into the waters of the Red Sea. The Canal is here carried out in a channel 26 feet deep, which extends beyond the sea-walls or jetties

on each side. Passing between these jetties, the *Prompt* took the party up to the first (or lowest) Barrage, which is situate at the distance of a few hundred yards from the sea entrance. Here they saw the machinery used for cutting the Canal, and beyond the Barrage or dyke were visible the pumps, dredges, and great machines at work on other sections of the Canal, which is here in its least developed condition. This little excursion was the more interesting inasmuch as the *Prompt*, 120 tons, was the first steam vessel of any size which has ever gone up the Canal from the Red Sea entrance.

“The Prince and Princess returned to the hotel at Suez about half-past ten o'clock for breakfast, and then prepared for their day's journey to Ismailia. Their departure was announced by salutes from the shipping and from the Viceroy's kiosk, by the music of the band, and by vociferous cheers. There was the usual line of troops; terminating in a circle of Egyptian naval and military men, the Port Admiral and his staff, the Governor of Suez, the Pasha in command of the troops, the Consuls *en grande tenue*, the staff of the Peninsular and Oriental Company, &c., to pay their respects. M. de Lesseps, with the contractor and chief engineer, accompanied the

Royal travellers in the saloon. The train stopped at the station of Chalouf, which is a '*campement*' of the Suez Canal Company. Here the whole party descended and crossed the Fresh-water Canal on a pontoon. At the other side there were in waiting about thirty saddle-horses belonging to the Suez Canal Company, and a little basket-carriage, to which the Princess was handed by M. de Lesseps, who took his place in the seat behind. Her Royal Highness, with Mrs. Grey, her lady-in-waiting, drove off through the pretty little streets of Chalouf, lined with chalets of wood and gardens, and his Royal Highness mounted a handsome Arab, and, attended by the rest of the party on horseback, followed the Princess's carriage to the works of the Canal, which here present a series of deep cuttings—apparently 100 ft. down—with the full breadth of 22 metres at the bottom. There is a good roadway along the side of the excavation: and the party went southwards for about a mile towards a Barrage, stopping on their way to examine the working of the inclined planes on which trucks of earth and stone excavated by the Arabs and Europeans below were run up to the top of the mounds above the roadway and tilted over, while the empty trucks were let down to the

excavation, by the same action of the steam-engines. On their way back from this busy scene the wife of one of the employés offered the Princess a large bouquet of flowers, culled from the gardens in the desert, and M. de Lesseps presented her with a bough of orange blossoms grown at Chalouf. The journey to the next halting-place, thirty-three miles from Chalouf, was made in an hour and a half, and on arriving here at half-past two, the Royal party left the train, and proceeded to embark on board a small steamer, with an attendant satellite, which conveyed them for a mile or two along the Fresh-water Canal to Serapeum—another embankment of the Company, on the banks of the Maritime Canal, north of the Bitter Lakes. It is a small town of wooden houses, neatly built and painted, with gardens full of fruit-trees and flowers here and there, and with restaurants, cafés, hotels, stores, and shops, placed on a very high ridge above the desert plateau. The little colony turned out in force, and on arriving at the Bank above the Maritime Canal, the Royal visitors were received by Madame de Lesseps, Madame Borce, Madame and Mdlle. Guichard, Mdlle. Voisin, MM. Guichard, C. de Lesseps, Dr. de la Roche, M. Voisin, director-general of the

works, and others from Ismailia. There was a guard of cavasses at the great flight of wooden steps which leads from the top of the bank to the Canal, and below were two of the larger and two of the smaller steamers of the Suez Canal Company awaiting to convey the party and their suite to the Barrage or dam, which now alone prevents the waters of the Mediterranean from flowing into the Bitter Lakes in an impetuous and destructive torrent. It will be understood that from Port Said, on the Mediterranean, to this barrier, the Suez Canal is open, so that a vessel can pass through if she does not draw more than 15 ft. of water : but it is only in places that the full depth of eight metres, or 26 ft., has not been attained.

“ The process of letting in the Mediterranean Sea water to fill the vast empty basin of the dried-up Bitter Lakes was, however, to be gradually performed. A few days before the visit of the Prince of Wales, on March 1st, the dam at Toussoum, which kept out the waters of the Mediterranean, had been cut in presence of the Viceroy, and the supply of water from the Fresh-water Canal stopped. Four millions of cubic metres of water entered in twelve hours. The current was stronger than had been anticipated,

and the stream, rushing through to the lower level, swept away some of the dredging-machines, overturned one, and drowned one, if not two persons. The trench of the Fresh-water Canal was thus rapidly emptied into the lower level of the newly-formed Maritime Canal, and there millions of fresh-water fish, on which crowds of gulls are now feeding, met their death in the water coming from the salt sea. At this end of the Maritime Canal there was now erected a reservoir with a wooden barrier, apparently 200 yards long, parallel to the course of the Canal—the Fresh-water Canal being at right angles to it—provided with a great number of small *écluses*, or floodgates. A sloping ledge of planking led from the level of the Canal bed at the bottom of the sluices to the natural depression of the bed of the Bitter Lakes, and on the opening of a sluice a stream of water rushed over this ledge across an artificial mound of rocks into the Lake.

“When the Prince and Princess reached this barrier a number of workmen were ready at the sluices with levers and sledges, and M. de Lesseps conducted the Royal party to a narrow bridge, or trestle-work, below it, extending across the narrow end of the Lake, from which they could see at their

ease the rush of water. The Viceroy had seen the first of the sluices drawn, and ever since water had been passing through, but it only formed a large pool in the neck of the Lake. Nevertheless, the fish of the Mediterranean had already found their way to this pool, and were disporting in the rush of water over the stones. When the Prince and Princess had seen the nature of the work, at a given signal some dozen or so of the sluices were raised, and the salt water spurted forth in a milk-white gush from as many freshly-opened sources, and then flowed quietly away to its appointed bed.

“ Having watched this interesting sight for some time the Royal party returned to the steamers on the Maritime Canal at Serapeum, and proceeded northwards towards Ismailia, about fourteen miles distant, which they reached at dusk. In the voyage the steamer passed through Lake Timsah. They passed the night in the Viceroy’s kiosk or pavilion, four miles beyond Ismailia, and next morning rode on to El Guizr, another station of the Suez Canal works. Having inspected all there, they embarked in a steamboat on the Maritime Canal, and so arrived at Port Said between five and six in the afternoon. They went on board the Viceroy’s beautiful yacht,

the *Mahroussieh*, and this vessel conveyed them in the night to Alexandria, where they were transferred next day to H.M.S. *Ariadne*, and had an easy voyage to Constantinople."

A more interesting excursion could scarcely be imagined. The spectacle of the various little towns along the Canal, the rows of gay brilliant chalets, the Fresh-water Canal with its steam launches and boats, the banks lined with gardens at Ismailia and Chalouf, the enormous works and workshops at Suez and Port Said, the docks and tall chimneys—and all this where within half a dozen years had been a desert—formed one of the most striking contrasts conceivable. It was a change from the days when, as De Lesseps tells us, "Our caravan in crossing carried our water, our victuals, sheep, and fowls. Beyond these animals there was not even a fly in this hideous desert. At night we opened the cages of our fowls, full of confidence, for we were sure that the next morning all our beasts would come round us, not to be abandoned in these desolate places where solitude is death. When we struck our camp of a morning, if at the moment of departure a hen had lurked behind pecking at the foot of a tamarisk shrub, quick she would jump up frightened on the

back of a camel to regain her cage." There was a political significance in the spectacle of those Mediterranean waters rushing over the barriers and hurrying on to join its sister sea.

It was calculated that the filling of these Bitter Lakes, which, according to De Lesseps, are forty leagues in circumference, and contain 440,000,000,000 gallons, would take many months to accomplish. Once full, a single barrier beyond Chalouf was all that restrained the further progress of the water.

CHAPTER XIV.

THE OPENING OF THE CANAL.

AT last the great Chalouf cutting was finished, and the first weeks of November were at hand. The ceremonial was to be worthy of the occasion. Kings, Emperors, and Empresses were coming to take part in the gala. The gallant projector, who had struggled for fourteen years to carry his scheme, was now to be rewarded for his labour and perseverance. He will always have the sympathy of future generations when it reads his story and of the happy completion of the work.

And yet the result, as will be seen, was still precarious. Much was uncertain ; and the procession of a number of great ships for the first time through such a narrow channel was a pure experiment, and a very hazardous one. It was impossible to foresee the accidents and impediments that might arise ; but with his usual courage he provided against such dangers, and with his admirable

energy was ready to encounter them when they arose. They were now displaying themselves in the most embarrassing way, that is, on the very eve of the opening.

“Fifteen days before the inauguration of the Canal, the engineers came to tell me that, between two soundings, taken at distances of 150 metres, by means of square shafts, holding twelve men, a hard rock had been discovered, which broke the buckets of our dredgers. We have been blamed for not perceiving it sooner.* Was it possible to take soundings at shorter distances in a length of some 102 miles? At this sad news I hastened to the place pointed out. There we found a boulder rising fifteen feet above the bottom of the Canal, and leaving only between nine and ten feet of water. What was to be done? Every one began by declaring that there was nothing to be done. ‘Go and get powder at Cairo,’ I cried, ‘powder in masses—and then, if we cannot blow up the rock, we will blow ourselves up.’ The Sovereigns were on their road to the rendezvous. All the fleets of the

* Sir J. Hawkshaw had long before warned them of this danger, declaring that soundings at such intervals were not a guarantee.

world had been bidden, and were about to arrive. It was necessary at any price to be in a position to receive them. The intelligence and energy of our workmen saved us. Not a minute was lost, and all the ships were able to pass.

“ Enchanted with this result, the Viceroy came to me, and asked me to make the necessary arrangements for receiving the Sovereigns and the foreigners to the number of 6000, whom we were to shelter and feed. Sheds were constructed in a few days to hold 600 persons, with tables constantly replenished and served. The Viceroy had brought over 500 cooks and 1000 servants from Trieste, Genoa, Leghorn, and Marseilles. There was also, opposite the Sweet-water Canal and Lake Timsah, a village of 25,000 Arabs, who were likewise affording hospitality under their tents.”

Our projector was also to meet with another contretemps, which he surmounted with his accustomed energy.

“ All these preparations were completed when, on the 15th, as I was about to leave for Port Said, at nine o'clock in the evening, I heard a sound of petards and rockets bursting. It was the fireworks which had been brought for the fêtes, and which

having arrived too late by the railway, it had been impossible to convey, as I had wished, to the sand-hills outside Ismailia. They had been placed in the timber-yard in the middle of the town, which narrowly escaped becoming entirely a prey to the flames. Two thousand troops came opportunely, and the town was saved—thanks to the system always employed at Constantinople, and which consists in unceasingly pouring water on the walls and roofs of the neighbouring houses.

“Despite our efforts the wall became heated all round to such an extraordinary temperature that it was threatening to spread the fire, when I was told that underground in the yard there lay buried in the sand a large quantity of gunpowder. I begged that nothing might be said, and directed all the pumps that way. Fortunately the wind fell altogether, and the town was saved.”

It was now Tuesday, the morning of the 16th November, and Port Said presented a brilliant show. The great personages were arriving. The Viceroy had come to meet them, by way of the Canal, from Ismailia, having left the *Empress of the French* at Cairo. She had returned to that city from her trip up the Nile, and had made a nocturnal expedition to

see the Pyramids illuminated with the magnesium light. The Emperor of Austria, in his steam yacht the *Graf*, had returned to Egypt from the shores of the Holy Land, where he had made a short tour, as the Crown Prince of Prussia did within a few days of the same time, both coming to Port Said for the opening of the Canal. The Empress Eugénie, both as a lady of exalted rank and as wife of Napoleon III., to whose encouragement the great work of M. de Lesseps was so much indebted, was entitled to take the leading part.

“She came by railway from Cairo to Alexandria on the Monday forenoon, and embarked in the French Imperial yacht *Aigle*, which conveyed her to Port Said. After lying off that place an hour or two before daylight, the *Aigle* came in about eight o'clock in the morning. In front of Port Said, and distant a couple of miles from the entrance to the port, were two large Austrian ironclads, which were in a few minutes covered to the masthead with gay flags. Lying off the entrance, in a line, were the five ironclads of the British fleet. Beyond them lay the *Rapid*, despatch-boat, and near her a small Russian sloop of war. Nearer to the entrance of the port

were some Italian steamers, gaily decorated with flags. Then along the whole length of the break-water there was a clear space, and there, crowded up in front, or rather by the side of the town, was a perfect forest of masts, covered to the trucks with gay flags. The American flag floated over the Consulate on shore, but no American ship was to be seen. There were no less than 160 vessels in the port. The shipping were chiefly French, Austrian, and Italian vessels, with one or two Swedish and Prussian steamers. The town and the shipping altogether formed a pretty spectacle. The two Austrian and five British ironclad ships of war outside the harbour, as soon as the French Imperial yacht *Aigle* came near them, manned yards and fired a grand salute. Steaming past the other vessels at the mouth of the port, the *Aigle* entered the mouth of the basin, and slowly approached the fleet of vessels massed opposite the town. Here there was no attempt at regularity; vessels of war and merchant steamers were crowded together; all were decorated with lines of flags, and the yards of the men-of-war were manned. The merchant steamers were crowded with passengers. As the *Aigle*

entered the port the salute began, and so many were the vessels of war, that for a time the cannonade was heavy. The hulls of the ships were completely hidden by the volumes of smoke, and the *Aigle* paused a little to let it clear off before entering. Then, as she steamed along between the two lines of steamers, the cheering broke out. From the yards of the men-of-war, from the decks of the passenger steamers, from the crowd upon shore, it was heard in every language. It was a most exciting scene, till the yacht of the Empress took up its appointed station, alongside the *Mahroussieh*, the state yacht of the Viceroy of Egypt, on the other side of which lay the Imperial Austrian yacht *Graif*. The Emperor of Austria and the Viceroy of Egypt were on board the *Mahroussieh*; with them was Mr. Elliott, the British Ambassador to Turkey. The Viceroy immediately went on board the *Aigle* to pay his respects to the Empress. He was followed by the Emperor of Austria and the Prince of Prussia. The men-of-war now began to pay the compliments to each other's flags with which the English fleet had commenced. For an hour there was almost incessant cannonading, to which the guns of the English fleet served as an occasional echo, as

they, too, concluded their round of friendly compliments."*

After this exciting day the agitating troubles of our projector were to begin. While busy with the great pavilion in which the religious rites of the next day were to be performed and the illustrious guests to be grouped, he found that a great tide had risen and surrounded these structures. But by this time he and his staff were well accustomed to deal with the encroachments of water. A temporary embankment of sand was soon formed and this danger surmounted, still, when time was so precious, it was a serious annoyance. But what was it to all that was now awaiting him? He shall tell the story himself.

"On that evening, after receiving the Empress and the foreigners, I was making arrangements with the captain of the port. We had settled everything, when at midnight we learn that an Egyptian frigate has run aground thirty kilometres from Port Said, in the middle of the water—that is to say, that she had run on one of the banks, and, lying across the Canal,

* This description is also taken from the *Illustrated London News*, the language a little altered and irrelevancies cut away.

was barring the passage. I at once collected the means necessary for getting her off. A steamer was sent with men and appliances for the operation. They returned at half-past two in the morning, saying it was impossible to move the frigate. One must have confidence in this world. Without it nothing can be done. I did not wish in any way to change the next day's programme. Logically I was wrong, but the results proved me right.

"At three in the morning the Viceroy, who had left for Ismailia to receive the Sovereigns and Princes, hearing of the grounding of the frigate, returned in all haste. On passing he had made some useless efforts to dislodge her. He sent for me on board his boat, and I found him in great anxiety, for our minutes were already numbered. If we had adjourned the opening even to the next day, what would have been said? Despatches at Paris were already publishing that all was lost.

"Powerful assistance was placed at the disposal of the Prince, who took with him a thousand seamen of his squadron. We agreed that there were three methods to be employed: either to endeavour to bring back the vessel to the middle of the channel, or to fix it to the banks; and if these two means

failed, there was a third. We look into each other's eyes. 'Blow it up!' cried the Prince. 'Yes, yes; that's the way. It will be magnificent.' And I embraced him. 'But at least,' added he, smiling, "you will wait till I have taken away my frigate, and that I am able to announce to you that the passage is free.' I would not even grant him this respite. The next morning I went on board the *Aigle*, without mentioning the accident to any one, as you may well believe.

"The fleet started, and it was only five minutes before arriving at the site of the accident that an Egyptian admiral, sailing on a little steamer, signalled to me that the Canal was free. On arriving at Kantara, which is thirty-four kilometres from Port Said, the *Latif*, dressed in flags, saluted us with her guns, and every one was charmed with the attention which had thus placed a large frigate on the passage of the fleet of inauguration." It only wanted these dramatic elements to make so dramatic a venture complete.

"After this agitating night the next day's proceedings began; the ceremony of pronouncing a benediction upon the Canal, by the clergy of the Moham-
medan, Greek-Catholic, Coptic, and Roman Catholic

Communion, took place at three o'clock the same afternoon. It was performed in the pavilions erected on the sand of the seashore, in front of the road and line of cottages named the Quai Eugénie. A footway of planks had been constructed from the landing-place to the pavilions. It was lined along its whole length with Egyptian infantry. The field artillery were stationed far out on the sands, close to the seashore. The pavilions were three in number, one containing seats for the Khedive and the Imperial and Royal guests and their immediate attendants, another an altar dressed according to the regulations of the Catholic Church, and the third a pulpit for the Mussulman Ulemah. They were all built of wood, prettily carved, and adorned with tropical plants and flowers and the flags of all nations. The masts at the four corners of each pavilion were surmounted with a gilt crescent; but in front of the Christian sanctuary was a shield bearing the cross of Jerusalem, with four small crosses arranged round the large one. The Moslem pulpit, surmounted by an inscription from the Koran, faced eastwards, looking towards Mecca; and the grand pavilion for the visitors fronted both the others.

"The Empress, the Emperor, the Viceroy, and all

the illustrious party, had to walk from the landing place to the pavilions, a distance of half a mile. The Heir Apparent of Egypt came first, with the Princess of Holland on his arm. The Empress of the French took the arm of the Emperor of Austria, and the Khedive and Crown Prince of Prussia walked on each hand. The Grand Duke Michael of Russia and the young Prince of Holland accompanied them ; and a brilliant staff of French, Prussian, Russian, Austrian, and Egyptian officers, all in uniform and decorations, followed in procession. There was much cheering all along the line for the Empress ; and the Kaiser was warmly welcomed, there being many Austrian subjects at Port Said. The Emperor of Austria wore his uniform of white tunic, scarlet pantaloons, and cocked-hat and green feather ; the Prince of Prussia that of the uniform of the Prussian Guard. The Viceroy's uniform was blue, with gold lace, and with a broad green ribbon ; the hilt of his scimitar blazing with jewels. Entering the pavilion, the Empress took the central seat, having the Emperor of Austria upon her right and the Khedive upon her left. Behind were a crowd of distinguished persons in every variety of uniform, including M. de Lesseps ; Abd-

el-Kader in his Arab costume ; Mr. Elliot, British Ambassador ; Colonel Stanton, British Consul-General ; other members of the diplomatic body ; Admiral and Lady Milne, Sir Leopold Heath, and officers of the fleet, and others ; the Earl of Dudley and Ward, Lord Houghton, Sir F. and Lady Boileau, Mr. Spencer Ponsonby ; Sir Frederick Arrow, of the Trinity House ; Mr. Elliot, Mr. H. S. Edwardes, Mr. Gourley, Mr. Gregory, Mr. C. Lyttelton, Mr. Hawkshaw, Mr. Bateman, engineers ; Mr. C. Clarke, President of the Liverpool Chamber of Commerce ; and Mr. Ramsay, President of the Glasgow Chamber, and many others were on the platform or among the crowd beneath on the sand. After a short pause the religious ceremonies began. The Ulemah, or chief ecclesiastic of the Mohammedan faith, a venerable personage with a flowing white beard, read from his scroll of parchment a prayer to Allah to bestow a blessing on the multitude assembled there, and on the enterprise they had come to dedicate to the service of mankind. This part of the ceremony was very brief, but the scene was a striking one. The Mussulman having concluded, the Archbishop of Jerusalem, in full robes, ascended the steps of the high altar in the Christian kiosk and, with the attending priests,

said mass. This over, the Archbishop retired, and a handsome priest, clothed in purple, who was Monsignor Bauer, the Empress's confessor, came forward, and, standing a few steps below the altar, proceeded to deliver an eloquent discourse or *éloge* on the Suez Canal, M. de Lesseps, the Viceroy, the Empress, and all the illustrious visitors present. Master of a fine voice and skilled to use the fluent and graceful rhetoric of the French pulpit, the orator made a very felicitous speech. When he compared M. de Lesseps to Columbus there was a slight burst of applause. The company then withdrew; the Emperor of Austria gave his arm to the Empress of the French. There was a little offering of flowers made by a group of little girls to her Majesty at the foot of the platform or *daïs*. The Viceroy followed, then came the Crown Prince of Prussia, the Netherlands Princess, and the rest of the Royal party, who proceeded on foot, as before, in a sort of procession between the line of troops to the jetty, where the barges were waiting to take them on board their respective yachts.

“The illumination and display of fireworks at Port Said that evening were magnificent. Each of the

streets had been adorned with a double line of red flagstaffs with the crescent, different coloured banners, and lines of coloured lanterns. Many of the houses had hung out flags. As evening fell, and the sun sank behind the long straight line of sand, the view from the ships was very picturesque. The deep glow faded from the sky, and the forest of masts now denuded of their colours, became confused and indistinct, faint lines of light seemed to creep like golden gossamer threads across the sky. Long lines of lanterns, festooned from mast to mast and down the lines of rigging, everywhere made their appearance. Some of the men-of-war could be traced by the lights placed at every porthole. Nor was the scene less brilliant on shore. There the long lines of lanterns marked out the streets, while away far to the right the Arab town and the tents of the troops were marked out by the long lines of light. The piers and breakwater were lighted up by tar-barrels placed at short intervals. Over all the moon shone brightly, while the flashing electric light upon the summit of the lofty lighthouse at one moment flashed out intensely bright, and then faded into comparative darkness. In the background, behind the Royal yachts, flights of rockets continued to as-

cend, lighting up the scene, now with coloured stars, now with showers of falling gold.

“Wednesday morning, the eventful day so long looked forward to, broke bright and clear, with a pleasant fresh breeze blowing. The *Aigle*, with the French Empress on board, started punctually at eight o'clock, and was followed in regular order by the ships, none of which, it should be noted, all being lightened for this occasion, drew more than 13 ft. of water.*

* “Their order was as follows :—*Aigle*, French Imperial yacht ; *Greif*, Austrian Imperial yacht ; Prussian frigate, with the Crown Prince on board ; Swedish yacht, with Prince Oscar of Sweden on board ; Russian warship, with Grand Duke Michael on board ; Russian Admiral's ship ; Dutch gunboat, with Prince and Princess of Holland ; *Psyche*, English despatch-boat, with the Ambassador from Constantinople ; Swedish vessel ; *Peluse*, one of the Messageries Impériales steamers ; *Rapid*, English gunboat ; another Messageries steamer ; *Vulcan*, Austrian warship ; *Forbin*, French gunboat ; another French boat ; tug-steamer, conveying *Cambria*, English yacht, with her owner, Mr. Ashbury, on board ; *Dido*, one of the English telegraph steamers ; English steam-yacht ; *Tonareg*, a Swede ; a British sloop-of-war ; *Thabor*, one of the Messageries Impériales service ; *Pluto*, Austrian Lloyd's steamer ; *Hawk*, English steamer, carrying to Suez the shore end of the British Indian Telegraph ; Russian merchant-ship ; *Europe*, Messageries Impériales ; *Lynx*, English steamer ; *Principe Tomaso*, and *Principe Oddone*, *Società Adriatica Orientale* (Italian) ; *Principe Amadeo*, Italian steamer ; Austrian steamer ; *Scilla*, Italian frigate ; *America*, Austrian Lloyd's ; *Chabin*, Egyptian Government steamer ; *Fayoum*, ditto.”

“As the French Imperial yacht entered the Canal from Port Said, it passed between the two great obelisks which mark its entrance—hollow wooden structures, painted a light red, to imitate the granite obelisks which the Company proposed to erect there. During the passage five or six of the vessels stuck fast in turning round the curves, or in trying to avoid each other, but were soon got off without damage. All, however, arrived safely at Ismailia, the midway port in Lake Timsah, which was reached by the French Imperial yacht about sunset, after a passage of nearly twelve hours. The motley population of Ismailia had been looking for her arrival hours before; and when she came winding slowly but surely through the turns of the Canal, and when at last her hull came fully into view as she glided into the broad waters of the Lake, there was one loud, enthusiastic cheer, which was drowned by the roar of cannon. From the batteries on the banks the sound of the heavy guns came booming across the water; the sharp, quick rattle of platoon-firing followed; and the Egyptian troops shouted as the first sea-going vessel which had ever crossed the isthmus steamed into the inland lake, having on board the Empress of the French, the wife of the Sovereign

who, through ill and good report, had been staunch in his support of the enterprise which now stood proved and accomplished. The last rays of the setting sun shone brightly on the low sand-hills which surround the Lake, upon the still waters, upon the wide expanse of the desert stretching away into the far distance. And as the *Aigle* came on, the two French steamers of the Messageries Impériales that had come up from Suez from the Red Sea passed out of the cutting, under which they lay moored, into the Lake. Scarcely had the *Aigle* got clear of the strait when she was followed by the *Latif*; and then the Imperial Austrian yacht passed into view, bearing at its mainmast the yellow standard of the House of Hapsburg. There was a pause before any other ship hove into sight, and meanwhile the night had come on and the crowd dispersed."

This entrée, being so purely French, could not be effected without a display of sentiment truly national. "On arriving at Ismailia," De Lesseps relates, "the Empress told me that during the whole journey she had felt as though a circle of fire were round her head, because every moment she thought the *Aigle* stopped short, she saw the honour of the French flag compromised, and the fruit of our

labours lost. Suffocated by emotion, she was obliged to leave the table, and we overheard her sobs—sobs which do her honour, for it was French patriotism overflowing from her heart.”

“Thursday morning showed the strange little town of Ismailia in festive attire. The Empress of the French, the Emperor of Austria, and the other great persons landed early from their ships, and were conducted by the Khedive to his new palace lately built for the occasion. They went in carriages and four, along the avenue from the pier, under a triumphal arch, the road being guarded by two regiments of cavalry, one of lancers on white horses, and the other, with carbines, mounted on bays. They passed over the drawbridge, and turned to the right along the Quai Mehemet Ali, a wide boulevard with the private residences of the principal people on one side, a double roadway with two rows of trees planted down it, and the Fresh-water Canal bounding it on the side towards the lake. Here are the pretty villa which M. de Lesseps has built for his private use, the residences of MM. Borel and Lavalley, the contractors, the house of the Egyptian Governor of Ismailia, and the Viceroy's palace. The boundary wall of M. de Lessep's garden was

covered with creepers, and every building was bright with flowers. The best public gardens in the town are those in the Place Champollion and at the water-works, where the supply of water is pumped for Port Said; and the former was especially gay with ever green arches and brilliant parterres. The Empress descended at M. de Lesseps'; but while a number of people were waiting there at one door in hopes of being received by her, she went quietly out by a side entrance, mounted a camel, and rode off along the Quai past the Arab camp. M. de Lesseps rode on a white pony at her left. She then returned to the palace, entered a pony-chaise, with the Emperor of Austria, and was driven about the streets, wearing an enormous straw hat with a long veil. The street through which they drove is named the Avenue Francis Joseph, and was decorated with a triumphal arch in honour of the Emperor of Austria. The multitude of Arab tents on the esplanade, and the performances of the Bedouin horsemen, galloping to and fro, shouting, and firing off their muskets, seemed to amuse her very much. The Viceroy entertained their Majesties and Royal Highnesses, at night, with a sumptuous ball in his new palace, attended by several thousand people.

"Of the miscellaneous fleet of vessels collected at Ismailia, some moved on towards Suez the next day, Friday, the 19th, but in no regular order. Those conveying the Empress, the Emperor, and the other illustrious visitors started about noon. They stopped that night in the Bitter Lakes, and went on next morning to Suez, which they reached at eleven o'clock on Saturday, the 20th."

.. Such was this auspicious festival. The vessels had passed from one sea to the other. But a vast deal remained to be done ; and it will have been noted that none of the vessels had drawn more than thirteen feet of water.

CHAPTER XV.

DISPUTES WITH THE KHEDIVE.

NOW that the Canal was fairly opened and working, this happy consummation became the starting-point for a fresh series of difficulties. These, strange to say, were to arise between those who were most interested in its success.

These early contentions were commenced with the Lord of the soil—the Khedive. A few days after the grand ceremonial of letting the water into the Bitter Lakes, performed by the Prince of Wales with such *éclat*, a “transaction” was arranged between the Khedive and the Company. The latter were in want of money to complete the works; and the Pasha, as we have seen, was eager to recover some portion of his estate which he conceived his predecessor had parted with rather improvidently. With this view a convention was entered into. By this arrangement he purchased the right of levying

tolls and of navigating the Fresh-water Canals, which already were his property. The late Pasha had contracted to make them, but had failed to do so, so the Company had constructed them and transferred them to the Viceroy, under the award, for a sum of 400,000*l*. For these privileges, as well as for the right of fishing in the Suez Canal itself and the Great Lakes, he was charged a sum of 800,000*l*. He also took over the hospitals, magazines, &c., at Damietta and Boulak. He was without cash to pay for this purchase, but it was agreed that he should be charged at the rate of ten per cent., not a very oppressive rate for an Eastern, and that he should cut off from his bonds the coupons for twenty-five years; until the year 1895. Loud cries have been raised as to the extortionate character of this bargain; but it must be recollected that the Canal was not paying, and did not pay for some years to come; and that these coupons were of rather a speculative character. Interest had been paid out of capital, and it had afterwards fallen into arrear. The Company, on these securities coming into their possession, proceeded to mortgage them, and issued a number of Bonds, or "Delegations," which put them in

funds.* This arrangement was to give rise to some trouble. Little more than two years later, at the general meeting on August 24th, 1871, the council of lawyers which advised the Company, declared that the original holder of the mortgaged shares could not be allowed to take part in the direction of, or be represented at, the meeting. With this view two resolutions were adopted. The first was to the effect—

“That the elective element should be adopted in the choice of members for the council, and that every candidate offering himself at the general meeting should be qualified by the nominal and actual—“*propriété* réelle et nominative”—holding of one hundred shares in pursuance of Article 28 of the Statutes.”

It was also declared “That as the Egyptian shares could not be represented at the general meeting so long as they were separated from their coupons, while on the other hand the coupons themselves, in the shape of Delegations, could not be recognised, the meeting declared that a propor-

* See the financial history of the undertaking, where this transaction is fully explained.

tionate reduction, either the 20th or 10th of the shares necessary to validate such a meeting, according to Statutes 44 and 67, should be made, assuming 223,398 shares to be the foundation, instead of 400,000, as it stood originally.* This seems a

* The following is the French text :—

“ Le Conseil, voulant préparer les voies dans lesquelles il devra entrer à l'expiration de son mandat spécial, aux termes des statuts, se croit autorisé à introduire dès à présent l'élément électif dans le renouvellement de ses membres, et à l'avenir il sera pourvu à toute vacance par l'élection de l'Assemblée générale. Il est entendu que les candidats, pour être présentés au choix de l'Assemblée, devront justifier de la propriété réelle et nominative de cent actions, en vertu de l'article 28 des statuts.”

Résolution relative au nombre d'actions appelées à participer aux Assemblées générales.

“ Les actions égyptiennes ne pouvant pas être représentées aux Assemblées générales pendant tout le temps qu'elles sont privées de leurs coupons, et d'un autre côté les délégations des coupons ne pouvant pas non plus y être admises,

“ L'Assemblée décide qu'il y aura lieu, à l'avenir, d'adopter le vingtième ou le dixième des actions nécessaires pour valider les Assemblées générales en prenant pour base 223,398 actions au lieu de la base de 400,000 actions exigées par les articles 44 et 67 des statuts.”

Résolution concernant le nombre des Administrateurs.

“ L'Assemblée décide :

“ Le nombre des administrateurs indiqué par l'article 24 des statuts est réduit à vingt et un.”

“ Les paragraphes 3 et 5 de l'article 63 des statuts, attribuant

fair restriction. The interest of a shareholder at such a meeting, and his claim to control proceedings, would certainly be based on the receipts he would expect from the enterprise. Once debarred from the enjoyment of those returns, he would naturally be indifferent, or at least would not have the same stake in the concern as those who were reaping profits.

The Khedive, however, did not take this view, and while ratifying the other resolutions, announced that he would take time to consider the one that affected his interests.* But shortly afterwards he

3 o/o aux administrateurs, 70 o/o aux actions, sont modifiés de la manière suivante :

“§ 3. 2 o/o aux administrateurs.

“§ 5. 71 o/o comme dividende à répartir entre toutes les actions amorties ou non amorties indistinctement.”

* Here is the French text of his letter :

“Pollone, le 14 octobre 1871.

“*A M. le Directeur de la Compagnie universelle du Canal maritime de Suez.*

“Monsieur le directeur,

“S. Exc. Nubar Pasha (ministre des affaires étrangères) me charge, par lettre du 2 octobre 1871, de vous notifier au nom de son Altesse le Khédive :

“1° Qu’il ne s’oppose point à ce que, à l’avenir, les vacances du Conseil d’administration soient complétées par les actionnaires, ainsi que l’a décidé votre Conseil d’administration.

“Il ne lui a pas échappé que les formes nécessaires pour la

declined to sanction it, on which the matter was once more referred to the council of lawyers, who on December 11th, 1871, reported that as the right of taking part in the general meetings was restricted to the associated proprietors of 25 shares—persons, that is, not merely having proprietorship, but actual enjoyment of their rights—this double interest should be represented at the meeting. And further, that as the same principle of exclusion was applied to those shareholders who do not hold the proper number, *as well as to those who, whatever the number they hold*, who represent either the capital or the

modification de l'article 77 des statuts n'avaient pas été remplies ; mais il admet avec la Compagnie que cet article accordant une *autorisation* et n'imposant pas une *obligation*, la nouvelle pratique que va adopter la Société n'en implique pas le changement.

“ 2° Son Altesse consent à ce que les articles 24, 29, 63 des statuts soient modifiés conformément à la deuxième résolution de l'Assemblée des actionnaires et qu'à l'avenir le nombre des administrateurs soit réduit de 32 à 21 et que la part dans les bénéfices nets attribuée aux administrateurs soit réduite à 2 o/o et celle réservée aux actionnaires portée à 71 o/o.

“ Son Altesse me communiquera bientôt sa décision sur la première des résolutions des actionnaires, relative au nombre d'actions nécessaire pour valider les assemblées générales.

“ Veuillez agréer, Monsieur le Directeur, l'assurance de ma haute considération.

“ *Signé* : EMILE OLLIVIER.”

receipts, but not both: therefore the council declined to change its decision.* On the 3rd of June, 1872, the Egyptian Ministry again refused to accept this view, and here it will be better to give the official account of the next stage of the transaction.

“ Les conseils du Gouvernement égyptien ont considéré que les affiches par lesquelles le public a été appelé à recevoir les délégations des coupons, annonçaient formellement que les délégataires n'auraient point le droit d'assister aux Assemblées générales. Par conséquent, une propriété de 176,000 actions ne pouvant manquer d'être représentée dans les délibérations relatives à cette propriété, ils regardent le droit du propriétaire comme n'étant point sujet à discus-

* The French text is as follows :—

“ Il se réunit pour la troisième fois le 11 décembre 1871. Ses premières décisions se trouvent confirmées dans les termes suivants :

“ Considérant que le droit d'assister aux Assemblées générales n'est attribué qu'aux associés propriétaires de 25 actions, c'est-à-dire ayant à la fois la propriété et la jouissance, double intérêt qui doit être représenté aux Assemblées générales ;

“ Considérant qu'ainsi se trouvent exclus aussi bien les actionnaires qui ne remplissent pas la condition du nombre que ceux dont les titres, quelle qu'en soit la quantité, ne sont plus entiers et ne représentent que le capital ou la jouissance et non pas l'un et l'autre.

“ Par ces motifs, le Conseil judiciaire maintient ses premières décisions.”

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sion. Une note du Gouvernement égyptien, en date du 3 juin 1872, a invité son commissaire près la Compagnie à soumettre ces considérations à notre Conseil judiciaire.

“ Une seconde note en date du 3 juin, dont il nous a été donné communication, et qui était adressée au commissaire égyptien par le ministre des affaires étrangères d'Égypte, était ainsi conçue :

“ ‘ Son Altesse a vu avec un vif regret les dissentiments qui se sont élevés dans le Conseil d'administration de la Compagnie universelle du Canal maritime de Suez, et qui lui semblent de nature à préjudicier aux intérêts du Canal et par conséquent aux intérêts de l'Égypte.

“ ‘ Ces dissentiments ne se seraient pas produits si la Compagnie n'était pas sortie de la lettre des statuts qui donnent au Conseil seul le droit de se compléter en cas de vacance.

“ ‘ Après avoir pris les ordres de Son Altesse, je vous prie d'inviter le Conseil d'administration de la Compagnie à rentrer dans l'observation des statuts, qui avaient précisément pour but d'éviter les faits qui se sont produits.

“ ‘ *Le Ministre des Affaires étrangères,*

“ ‘ *Signé : NUBAR.*’

It was clear that they felt they could not push their rights too far against the patron of the Company and the lord of the soil. The judicial council accordingly recommended moderation :

“ Voici l'extrait du procès-verbal de la séance du Conseil judiciaire de la Compagnie en date du 2 juillet :

“ Sur la première question :

“ “ En présence du différend que le Président-Directeur a fait connaître à l'Assemblée générale des actionnaires du 12 mars 1872, et dont la solution est, dès à présent, cherchée et sera préparée par les conseils du Prince et par ceux de la Compagnie, il convient d'aviser et de décider si, en attendant la solution, l'exclusion du Khédive doit être maintenue ou s'il n'y a pas lieu d'admettre le Prince à l'exercice de ses droits d'actionnaire.

“ “ M. le Président-Directeur remet au Conseil judiciaire les procès-verbaux de ses précédentes délibérations, ceux des Assemblées générales des actionnaires du 24 août 1871, et du 12 mars 1872, et deux lettres du commissaire égyptien près de la Compagnie du 24 novembre 1871 et du 15 juin 1872 relatives à la question.

“ Sur quoi,

“ Après avoir entendu le rapport de M. Sénard, son Président, et après avoir délibéré,

“ Attendu qu’il y a litige sur la question de savoir si la délégation faite par S. A. le Vice-Roi, des coupons détachés de ses actions a pour effet de porter atteinte à son droit de concourir et de voter avec ces mêmes actions aux Assemblées générales ;

“ Que jusqu’à ce qu’on se soit entendu ou que la question ait été jugée, la provision est due au titre et que, dès lors, le droit réclamé par le Vice-Roi doit provisoirement s’exercer ;

“ Le Conseil judiciaire,

“ En maintenant le principe de ses décisions des 3 juillet 1869, 20 juin et 20 décembre 1871,

“ Est d’avis à l’unanimité :

“ Qu’il y a lieu en l’état de litige existant, jusqu’à ce que le différend ait pu recevoir une solution, d’admettre provisoirement les titres du Vice-Roi à l’Assemblée générale du 31 juillet prochain.”

On the minor questions, as to the election of the Council, the following resolutions were adopted :—

“ Sur la seconde question :

“ M. le Président-Directeur expose au Conseil

judiciaire qu'aux termes de l'article 77 des statuts le Conseil d'administration est autorisé, pendant la durée du mandat spécial qu'il a reçu dudit article, à se compléter, en cas de vacances, de quelque manière que ces vacances se produisent ; que dans l'Assemblée générale des actionnaires du 24 août 1871, une déclaration a été faite au nom du Conseil d'administration portant qu'à l'avenir il serait pourvu à toute vacance par l'élection en Assemblée générale ; que, par lettre de son commissaire en date du 14 octobre 1871, le Khédive a notifié à l'Administration qu'il ne s'opposait pas à cette nouvelle pratique qui n'impliquait pas d'ailleurs le changement de l'article 77 ; qu'en conséquence, à l'Assemblée générale des actionnaires du 12 mars 1872, il a été pourvu, par la voie de l'élection, au remplacement de deux administrateurs ; que cette élection ayant produit les résultats regrettables que l'on sait, le commissaire du Gouvernement égyptien a fait savoir, par lettre du 10 juin 1872, que le Khédive, considérant ces résultats comme préjudiciables aux intérêts du Canal, et par conséquent, aux intérêts de l'Egypte, invitait le Conseil d'administration à rentrer dans l'observation des statuts et à ne plus user de l'autorisation qu'il avait précédemment reçue de faire

compléter le Conseil en cas de vacances par l'Assemblée des actionnaires ; qu'il y avait lieu, dans ce moment, à pourvoir à une vacance et à nommer un administrateur pour compléter le Conseil au nombre statutaire de 21 membres ; mais qu'en l'état des choses le Conseil d'administration se demande quel parti il doit prendre, s'il convient de faire procéder à l'élection de l'administrateur manquant par la prochaine Assemblée générale, conformément à la déclaration du 24 août 1871, autorisée par la lettre du commissaire égyptien du 14 octobre 1871, ou de procéder à la nomination dans le sein du Conseil d'administration, en conformité de l'article 77 des statuts et à la dernière lettre du commissaire égyptien du 10 juin 1872 ; que le Conseil judiciaire est prié de délibérer à ce sujet et de donner son avis sur la conduite qu'il croirait le plus sage de tenir.

“ M. le Président-Directeur dépose sur le bureau les divers documents qu'il a rappelés dans son exposé, à savoir : le texte des statuts, les procès-verbaux des Assemblées générales des actionnaires du 24 août 1871 et du 12 mars 1872, les lettres du commissaire du Gouvernement égyptien des 14 octobre 1871 et 10 juin 1872.

“ ‘ Sur quoi,

“ ‘ Après avoir entendu le rapport de M. Sénard, son Président, et après en avoir délibéré,

“ ‘ Attendu que la communication faite au nom de S. A. le Khédive met en question le droit que le Conseil d'administration avait pris dans le texte de l'article 77 des statuts, d'attribuer à l'Assemblée générale le remplacement de ses membres, auquel il était autorisé mais non obligé à pourvoir ;

“ ‘ Attendu qu'il y a lieu d'espérer que les négociations engagées sur ce point arriveront à une solution prochaine ;

“ ‘ Mais qu'en attendant qu'elle soit obtenue il convient de surseoir à toute nomination ;

“ ‘ Le Conseil judiciaire est d'avis à l'unanimité que le Conseil d'administration doit s'abstenir, quant à présent, de pourvoir au remplacement de l'administrateur manquant, en faisant connaître l'état des choses aux actionnaires dans leur prochaine Assemblée.

“ ‘ Fait et clos les jours, mois et an que dessus.

“ ‘ *Signé : SÉNARD,* ” &c.

These resolutions in effect admitted the claims of the Khedive provisionally. Until the question

could be legally decided he was, therefore, entitled to vote.

In this situation the question stands at present. It is clear that the Viceroy prevailed simply because the Company thought it impolitic to press the point—after all rather an abstract one—against their powerful landlord. As this personage has transferred his property to England the same deference may not be shown. It is remarkable that the question seems to have been raised long before the late transfer, as a matter of principle, and the course of the Company seems to have been in accordance with French law, which will now probably be invoked to decide the question.

On the whole it must be said that Egypt has gained enormously, and that whatever be the sums invested, the returns will be of the most profitable kind. We will deal later with the probable receipts of the Canal, but it is almost impossible to set a limit to them. It is a toll-gate of the most permanent kind, through which all the shipping world must pass. There can be no competition. It has created three flourishing towns, lined its banks with houses and properties, while the vast desert between it and the Nile is being gradually brought into culti-

vation. Further, when the returns exceed five per cent. the Government is to receive fifteen per cent. of the surplus, and a share of the fifteen per cent. devoted to the founders, the rest going to the original shareholders. A good test of the enormous benefit the Canal has been will be found in the yearly sales of the domain lands, which a few years ago were worthless, and last year sold to the amount of 20,000*l.*, at the rate of 2*l.* 2*s.* 6*d.* per metre.

What is thought of these founders' shares, which give little more than a sixth of the surplus profits, may be conceived from the value set on them by both the owner and the public. In the month of February, 1876, they were quoted on the Paris Exchange at 567*l.*, while the Khedive himself was offering all he held for about a million and a half sterling.

**THE FINANCES OF THE
COMPANY.**

CHAPTER XVI.

THE FINANCES OF THE COMPANY.

WE will first take the state of the account down to the opening of the Canal, when the first regular balance-sheet was issued, that of December 31, 1869. The original capital subscribed for this great work was eight millions sterling, or two hundred millions of francs, in 400,000 shares of 20*l.* (500 fr.) each ; 2*l.* (50 fr.) was to be paid on application, 6*l.* (150 fr.) on allotment. No further sum was to be demanded for two years, and five per cent. was to be paid to the shareholders, dating from the delivery of the scrip. The lists were to be opened on November 5th, 1858, and closed on November 30th. The Company, therefore, started with nearly 4,000,000*l.* cash in hand.

The capital sufficed for the works until the year 1867, when a fresh loan was made under the title of BONDS, to the amount of four millions sterling, or

100,000,000 frs., and set down at a fraction under—viz., 99,999,900 frs. of 333,333 bonds at 12*l.* (300 fr.) each, to which sum 500,000*l.* was added as a sinking fund.

Captain Clerk explains this very clearly :

“ These bonds, issued at 12*l.*, carrying interest at the rate of 1*l.*, are repayable in fifty years at 20*l.* Favourable as are these terms, only 1,143,687*l.* of this loan had been subscribed previous to June, 1868 ; and, in order to enable the Company to obtain the remainder without further delay, the French Government allowed them, ‘ in consideration,’ as was stated, ‘ of the exceptional character of the enterprise, and the interest which France takes in the execution of the Suez Canal,’ to issue bonds, reimbursable by lottery-drawings. In accordance with this resolution the Senate passed the following Bill in June:— ‘ The Maritime Canal Company of Suez is hereby authorized to issue bonds, reimbursable by lottery-drawings, on the following conditions: 1st. The operation shall in no way involve the alienation of any of the capital engaged, and the titles are to bear a yearly interest at a no less rate than 3 per cent. of the nominal capital. 2nd. The sum annually de-

voted to prizes is not to exceed 1 per cent. of the capital. 3rd. The nominal value of the titles issued is not to be less than 20*l*. The ulterior division of these is prohibited.' Thus the attraction of a lottery, in which prizes varying from 80*l*. to 6000*l*. to be drawn for quarterly, and amounting in the aggregate to 40,000*l*. a year, was added to the already favourable terms of the subscription. Hence it resulted that these bonds were taken up with extraordinary rapidity. In a few days after the opening of this lottery loan the whole of the sum required, of 2,856,313*l*. was subscribed."* We next turn to the—

* The drawings were arranged as follows :—

"OBLIGATIONS," OR PREFERENCE DEBENTURES.—These Obligations for 500 francs each, bearing interest at 5 per cent., payable 1st April and 1st October, redeemable at par in fifty-three years, are a first charge on the Canal, with power to take possession in case of default. The holders participate in four quarterly drawings of prizes, say for—

1 prize of...frs.	150,000	} frs. 250,000, equal to 10,000 <i>l</i> . sterling quarterly, or 40,000 <i>l</i> . sterling per annum, or 3-5th per cent. on capital.
2 prizes of...frs.	25,000	
2 prizes of...frs.	5,000	
and 20 prizes of...frs.	2,000	

These drawings take place on the 15th of March, 15th of June, 15th of September, and 15th of December.

*Account submitted at the Meeting held on the
30th of April, 1868.*

DR.

General expenses in the formation of the Company, such as drawings, estimates, cost of subscription, &c. &c.	£ 119,657
Properties purchased	47,030
Furnishing offices in France and Egypt	5,421
Interest accruing on shares in 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, and 1867	1,968,217
Interest on bonds, to 1st April, 1868	51,501
Expenses of management, commissions, negotia- tions, &c.	614,098
Advances made to contractors	1,477,968
Matériel, stores, &c. &c.	1,372,085
Buildings, workshops, sheds for machinery, &c., &c. .	166,328
Construction of canal, harbours, and other charges .	5,245,904
Current Account	192,991
Equipment of transit service ; rolling and floating stock	270,971
Total expenditure up to 30th April, 1868 .	<u>11,532,171</u>

CR.

Original capital	8,000,000
Imperial indemnity for revocations of concessions, &c. &c.*	3,360,000
Bonds subscribed previous to lottery loan, forming part of the 4,000,000 <i>l.</i> loan	1,143,687
Receipts previous to the final organization of the Company	260
Carried forward . .	<u>12,503,947</u>

* This sum is to be paid in annuities ; the first was paid in 1864 ; the last is due in 1879.

	£
Brought forward . . .	12,503,947
Interest on investments of unemployed capital . . .	688,825
Receipts from the Company's properties	21,228
Various other receipts, negotiations, exchanges, &c. &c.	20,526
Net profit on the sale of "El Ouady" estate . . .	305,021
Minor credits	16
Transit receipts	55,302
Transmission of funds between France and Egypt .	259,001
	<hr/>
Total receipts up to 30th April, 1868 . .	£13,853,866

"Thus it appears that 13,853,866*l.* was the sum received by the Company since its formation, whether from the original subscription, bonds, Egyptian indemnity, or from any other source. Deducting the sum already expended, there remained 2,321,695*l.* to the credit of the Company on the 30th of April, 1868. This was made up of—1st, the sum of 962,500*l.* still due on account of indemnity by the Egyptian Government; 2ndly, 233,925*l.* on shares and bonds; 3rdly, 18,501*l.* by minor debts; and 4thly, 1,106,769*l.*, the balance remaining in the bankers' hands in France and Egypt. Finally, to this general balance must be added 2,856,313*l.* lately subscribed in the manner sanctioned by the French Government, which completed the loan of 4,000,000*l.*, making the total balance 5,178,008*l.*"*

* "Captain Clerk," *Fortnightly Review*.

This seemed flourishing enough, and a balance of over five millions sterling to its credit was an encouraging prospect. But a glance at the balance-sheet of the following year shows that the accounts up to the opening of the Canal were quite unreliable. It would be ungracious to say that they were "cooked," but they were certainly incomplete. The expenditure leaps up suddenly from the moderate total of eleven millions sterling to some eighteen millions. The interest is about three millions instead of two, and nearly every charge and every item has to be rectified in a disadvantageous manner. We may assume, however, that it was vital to the undertaking that its desperate situation should not be revealed until the Canal was at work.

The cost of the mere construction of the Canal to December, 1869 was *eleven millions six hundred and twenty-seven thousand pounds*. From this, however, is to be deducted the value of the plant, offices, lands, &c., which would leave something less than eleven millions.

It will be recollected that in their predictions the hostile engineers and writers in publications,

after prophesying that the Canal was physically impossible, occasionally protected themselves by the reserve that even if it *were* made, the task of overcoming the physical difficulties would be of so Herculean a kind, that the mere construction would cost three or four times the sum set down in the estimate. It may be stated that, roughly speaking, the Canal did not very much exceed the sum at which the work was estimated. The Commissioners estimated the cost at five millions seven hundred and sixty thousand pounds, with a reserve of 640,000*l.* for contingencies; so that we might take the whole estimate at six millions. But there were many causes which swelled the cost, the enormous delays caused by the impediments thrown in the way, and the suspension of the works, as well as alterations in the plans. These therefore cannot be brought forward to prove the original estimate wrong.

But a most important element in the increase of cost has to be mentioned. The original estimate was based on the employment of the native forced labour, which was arbitrarily withdrawn, to be supplied by a far more costly kind, the value of which

we can measure by the compensation awarded under this head by the Emperor—viz., 1,520,000*l.*—which would bring up the estimate to about seven millions and a half sterling. Allowing a million for the increase in the value of materials, labour, and for alteration of plans, it would seem that the estimate was exceeded by about two millions and a half. In almost every vast work of the kind, representing such an enormous outlay, the excess has been in the same proportion ; notably in the case of buildings such as the English Houses of Parliament, the Grand Opera at Paris, the Caledonian and other great Canals, it apparently being impossible when millions are concerned to estimate with nicety. In any case, and here is the point of the whole, this excess is very different from the predicted one, where it was confidently announced that the cost of *actual construction* would be three or four times the amount set down, if even then it could be constructed at all.

It is quite clear, however, that apart from all allowances there was an error in the calculations, and M. de Lesseps' statement that the estimate had not been exceeded by a centime is only

a rhetorical flourish ; but still the excess is not more than was to be expected in a work of so speculative a character. So early as the end of 1862, when Sir John Hawkshaw made his examination, and when various "savings" had been determined on, the estimate had considerably expanded. Here was his view :—

"As regards the cost of construction, the question of estimate will have to be modified in accordance with the observations I have previously made on the points directly affecting it, and it will stand as follows :—

	France.	£
Total capital proposed to be raised	200,000,000	8,000,000
Earthwork saved	12,000,000	480,000
	<hr/>	<hr/>
	188,000,000	7,520,000
Add for protective works through Bitter Lakes	7,000,000	280,000
	<hr/>	<hr/>
	195,000,000	7,800,000
Add for pitching bottom and slope of Canal from Red Sea to Bitter Lakes	12,500,000	500,000
	<hr/>	<hr/>
	207,500,000	8,300,000
Add further sum, probably needed for interest on the capital during con- struction	20,000,000	800,000
	<hr/>	<hr/>
Total	227,500,000	9,100,000

“ Looking, however, to the money already expended compared with the work done, and considering the contingencies connected with the possibility of meeting with rock at the Red Sea entrance, and that the deep dredging in the Canal, and at the Mediterranean entrance, may cost more than the estimated amount, and also looking to the contingencies incident to an undertaking of such magnitude as the Ship Canal, I should think it prudent for you to assume that, before it be fully finished and perfected, the expenditure; including the additional cost of the modifications I have suggested (should the whole of them be adopted), together with land purchases and cost of buildings, may reach 250,000,000 francs or ten millions sterling.

“ At this place, too, may be introduced the first account that is available, and which represents the outlay monthly up to December, 1862. The expenditure on work done, land purchased, houses and workshops built, plant and machinery provided, amounted on the 1st December, 1862, according to the statement furnished to me by M. de Lesseps, to 49,600,000 francs (1,984,000*l.*). This sum M. de Lesseps reduces, by certain deductions, to 30,500,000 francs (1,220,000*l.*), which he takes to

represent the net expenses in works and general charges. I give the account as it was handed to me.

"Approximate Statement furnished to me by M. de Lesseps of the Expenses of the Canal of Suez up to the 1st December, 1862.

"The report made to the general meeting of the Shareholders, on the 1st May, 1862, shows the general state of the account of receipts and expenditure up to the 31st of March of that year.

"The expenses may be distributed as follows, in round numbers:—

I. Expenses prior to the formation of the Company—viz., drawings, travelling expenses, purchase of plant, &c.		Francs.	£
		2,900,000	116,000
II. Land, &c.	The Ouady Estate	Francs. 2,000,000	
	Warehouses at Damietta	50,000	
	Ditto at Cairo	200,000	
		2,250,000	90,000
III. Furnishing offices in Paris and Alexandria		100,000	4,000
IV. Interest paid to Shareholders		7,350,000	294,000
V. Ordinary expenses of management in France and Egypt		3,500,000	140,000
VI. Personal expenses and salaries of engineers		1,200,000	48,000
VII. General expenses of works, plant, commissariat, and transport		22,500,000	900,000
Total expenditure to 31st March		39,800,000	1,592,000
Say		40,000,000	1,600,000

At the present rate of carrying on the works, the necessary expenses of the Company are about 1,200,000 francs (48,000*l.*) a month, which would give from 1st April to 1st December . . .

9,600,000	384,000
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Total expenditure to 1st Dec. 1862	49,600,000	1,984,000
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From which is to be deducted :—

I. The cost of land (which Francs.
is recoverable*) . . . 2,250,000

II. The interest from temporary investments of funds in hand, which is added to the capital of the Company . . . 6,500,000

8,750,000	350,000
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Leaving the general expenses of management, purchase of plant, provisions, carriage, and works of every description, up to 1st December, 1862, in round numbers at

41,000,000	1,640,000
------------	-----------

The plant is represented in Francs.
this sum by about . . . 8,000,000
to which may be added the cost of construction of buildings,
about 2,500,000

10,500,000	420,000
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Net expenses in works and general charges

30,500,000	1,220,000
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“ Alexandria, 5th Dec. 1862.

“ *Delegated Administrator.*

(Signed)

“ T. DE CHANCEL ”

* The Ouady Estate alone, let out to Arabs, has this year brought in to the Company a net revenue of 149,000 francs = 5960*l.*

These various accounts bring us to the opening of the Canal in December, 1869. Turning to the "inventaire" or balance-sheet (issued in December, 1870), we come on some supplementary items which will swell the total cost. There were outstanding contracts to December 31st, 1869, and not then discharged—an arbitration with the contractors Borel and Lavalley, which might be set down at 300,000*l.* (It is in reality 378,000*l.*, but some "services," "directions," and "dépenses administratives" are included in that sum.) We also turn to the "inventaire" of December, 1871, where we find, under the head of expenses of *finishing*, enlarging, and improving the Canal, 127,000*l.*, which may be taken to close the account, as all succeeding entries of the kind are for "enlarging or improving" the Canal.

The financial state of things, therefore, in 1869, or on December 31st of that year, was as follows:— Twelve millions sterling had been subscribed, and a sum of eighteen millions one hundred and forty-four thousand pounds, in round numbers, had been spent. The figures, in francs, were as follows, taken from the *Compte Général, au 31st Décembre, 1869*:—

DR.

Expenses of formation, construction, interest, service	415,798,829 fr. 29 ct.
	(£16,640,000)
Value of lands, materials, houses, &c.	17,009,053 29
Debts, cash in hand, &c.	20,836,712 22
	<hr/>
	453,644,624 80
	(£18,144,000)

CR.

Original capital	200,000,000 fr.
Loan, bonds (300 fr. each)	99,999,900
To various creditors	7,064,625 59 ct.
	<hr/>
	307,064,525 59
	(£12,280,000)
Deducting one side of the account from the other we get	453,644,624 fr. 80 ct.
	307,064,525 59
	<hr/>
	146,580,099 21

or a difference of 5,863,000*l.* odd pounds.

But there were other sources of receipt to make an equilibrium. On the 23rd of April, as we have seen, a convention had been entered into with the Pasha, by which a sum of about 1,200,000*l.* (9000*l.* being deducted for the value of the "magasins" at Damietta and other places previously sold), and against which the "delegations" were issued. This, together with the original indemnity of July, 1864, 3,360,000*l.*, the interest from invested funds, amounting to nearly three-quarters of a million, and divers

minor receipts, all set out in the table at page 100, amounting to about 5,860,000*l.*, balanced the account.

This equilibrium was apparent rather than real. The Viceroy, as we have seen, was not in funds to discharge what he had contracted for, and hence the transaction of his handing over the coupons of his original shares. It has been said that this was a hard bargain for the Khedive, and in a recent number of the *Edinburgh Review* (January, 1876) it calculates the value of what he deposited at 1,900,000*l.* But the true test is the sum the Company was enabled to raise on them in the shape of delegations, and which cannot have exceeded 1,200,000*l.*, the sum set down under that head in the "mémoire."

Nothing is more admirable than the provident mode in which the financial obligations have been arranged by the Director, all whose plans seem to have been based on his own unbounded confidence in the magnificent future of the enterprise. All the additional capital that was raised was so arranged that by means of sinking funds, spread over long periods, the whole should be discharged. Thus, in the case of these "delegations," which were to the amount of 120,000*l.* at 20*l.* each, the regular dividends were subject to a deduction of amount sufficient to form a

sinking fund, and pay the whole off at the close of 1894; while the "thirty years" bonds were paid off by yearly drawings. But here we may quote a *résumé* of the Khedive's situation, which appeared in the *Times*, with the signature of "Memnon":—

"It is, perhaps, desirable to discuss the figures quoted by the *Edinburgh Review* from M. Dervien's pamphlet, published in 1871. The pamphlet was written with the avowed object of vindicating the wisdom of the Khedive's indebtedness. For this purpose he endeavoured to show that out of a National Debt of 28,000,000*l.*, the Khedive had spent 16,000,000*l.* on the Canal. For this purpose he enumerated the various items of expenditure, adding in a somewhat arbitrary manner the interest of the capital. It may not be uninteresting to reproduce these figures so as to arrive at a real estimate of the position of the Canal towards its immediate Sovereign. Shares in the Company, with interest, to January, 1871, 5,280,877*l.*; indemnity fixed by Emperor, with interest, 4,614,381*l.*; the construction of the Sweet-water Canal from Cairo to the Ouady, 860,000*l.*; purchase of the property of the Ouady, 400,000*l.*; construction of graving dock at Suez, 360,000*l.*; construction of ports at Suez, 935,800*l.*;

lighthouses in the Mediterranean, 50,000*l.*; redemption of certain privileges under the Convention of April 23, 1869, 1,612,025*l.* = 14,113,083*l.*

"The *Edinburgh Review* represents M. Dervien as raising this amount to 17 millions. This is clearly a clerical mistake. By adding the expenses of the fêtes of inauguration and certain diplomatic missions, M. Dervien can only bring the amount to 400 millions of francs, or 16 millions sterling. For this expenditure M. Dervien and the *Edinburgh Review* make out that Egypt Proper has gained nothing. But even by M. Dervien's account some of the items are, or will be, remunerative. Three new cities have been created and are attracting a daily increasing population. But in a calculation of this kind it is not fair to add the interest lost by a speculator on his investment to the cost of an industrial enterprise, and it may be as well to analyse M. Dervien's figures. Thus the price of the shares and the money taken by the Company, without interest, amounted to 3,552,840*l.*; the award of the Emperor was fixed at 3,360,000*l.*—6,912,840*l.* On these two items, therefore, 2,982,418*l.* may at once be deducted.

"But let us see what was really the Emperor's award. The Canal of the Ouady and the property

of the Ouady are clearly remunerative purchases. The graving dock at Suez was made in 1860, totally irrespective of the Canal, and with the harbour works at that port would be more required before than after the completion of the Canal. By the Convention of April 23, 1869, many important privileges are yielded of a lucrative character, and the erection of lighthouses is merely the duty of a Government repaid by the dues levied on shipping. We may, therefore, very fairly reduce the 14,113,083*l.* by one-half, the other half representing the shares and the remunerative character of the properties and privileges purchased or recovered by the expenditure. This leaves a contribution of 7,056,583*l.* Taking from this amount half the amount charged by M. Dervien for interest—viz., 1,491,209*l.*, we place the sum that, with the widest margin, can be charged to the cost of the Canal at 5,565,374*l.* The *Edinburgh Review* infers from the figures of the last report of the Company that the Khedive appears to have paid 118 millions of francs, or 4,720,000*l.* in addition to his subscription for shares. By the above calculation that amount is reduced to the sum of 2,012,534*l.*

“But if we accept the 4,720,000*l.* of the *Edin-*

burgh Review, let us see what the Khedive has received in compensation. The 10 per cent. set aside by the statutes for the founders has been divided into 2500 shares.* Of these 1500 have been given personally to the Khedive as a founder, and these are now saleable at Paris for 560*l.* a share. This gives him 840,000*l.* At the same rate the whole 15 per cent. due to him under the statutes as a first charge on the profits is valued and could doubtless be sold for 2,100,000*l.*, making, with the founders' shares, 2,950,000*l.*

"The financial position of the Khedive, according to the *Edinburgh Review*, stands thus :—

CR.	DR.
Shares . . . £3,552,840	Sale of shares . £4,000,000
Other payments 4,720,000	Founders' shares 2,950,000
<u>£8,272,840</u>	<u>£6,950,000</u>

leaving 1,322,840*l.*, which is represented by the reversion. If my calculation be accepted, the result will be as follows :—

CR.	DR.
Shares . . . £3,552,840	Sale of shares . £4,000,000
Other payments 2,012,534	Founders' shares' 2,950,000
<u>£5,565,374</u>	<u>£6,950,000</u>

* This must be a mistake, as, by the statutes, there were only 1000 founders' shares.

This gives a balance of 1,384,626*l.* to the profit of the Khedive irrespective of the reversion."

But a passage in one of the reports shows that the Company did not deal with the Khedive illiberally. By a Convention made in 1863 he had engaged to make a Canal between Cairo and the Ouady territory, which by a junction of the Company's Canal would open up a through route to Ismailia. The contractors he employed failed to execute their work, entailing a cost on the Government of more than a million and a half sterling. Compared with this sum the price received for the Fresh-water Canal between Ouady and Suez—viz., 400,000*l.* sterling, seems moderate. In Mr. Hawkshaw's report the cost is set down at 360,000*l.*, and considering the attendant advantages, the lands along the banks, and the improvement of the district, &c., 400,000*l.* was not an excessive *benefice*.

In the month of July, 1871, money was wanting, and at the general meeting, the President explained that the deficit on the two years from July, 1870, to July, 1872, would amount to over three quarters of a million sterling. The receipts of the year 1872 were 370,000*l.*, and the outlay 960,000*l.*,

The receipts of 1873 were indeed 993,000*l.*, while the expenses were 690,000*l.* But this improvement was not anticipated; and it was determined to raise money in a way that might have more attraction for the public. Bonds to the nominal amount of one million sterling, at 5*l.* each, were issued, payable in thirty years, and styled *bons trentenaires*. Each bond was issued at 4*l.*, but was to be repaid by means of annual drawings, at 5*l.* Eight per cent. was payable on the 4*l.* The operation, in fact, amounted to a discount of twenty per cent. This does not seem, at first, to have been very successful, as though the subscription was open from September 11th, 1871, to the end of February, only 480,000*l.* worth of the 30 years' bonds were issued. M. de Lesseps explains that the rest were reserved, owing to the revenue having improved, and the expenses diminished by some 12,000*l.*

Another "transaction" took place in the year 1874. With a capital of fourteen millions, the shareholders could hardly look for large interest, though they were sustained by the amazing progress made, and the enormous strides in the receipts. In the June of that year six coupons were thus owing,

while in a few days a seventh would become due. At the meeting the President was able to declare that such were the prospects of the Company at that moment, that the next coupon would be paid. With regard to the seven over-due coupons, those from July 1st, 1871, to July 1st, 1874, he proposed to capitalize them, the whole making a sum of 35,000,000 fr., or 1,400,000*l.* This would give about 85 francs, or 3*l.* 8*s.* 4*d.* for each share. To raise this sum he proposed to issue "*titres*" (*scrip*) corresponding to the number of shares, and fixed at the same amount—viz., 85 fr., repayable in 40 years at par. He explained that this number amounted to 176,602, precisely the number held by the Khedive. 120,000 were to be devoted to paying the seven coupons, the balance of 36,000*l.* to be employed as a sinking fund, and producing a yearly interest of nearly 10,000*l.* Finally, in March, 1875, 2500 founders' shares were delivered, which was the last transaction entered into by the Company.

The whole, therefore, stands thus :—There is the original capital, or "open shares," of 8,000,000*l.*, and 5,840,000*l.** or debentures or bond obligations.

* Not including the non-issued 320,000*l.* of the 30 years' bonds.

But so admirably arranged has been the issue of this last denomination of capital that it will be all extinguished within a certain number of years, that is, by the year 1920 ; and a sum of about 460,000*l.* will thus be free for the original shareholders.

As an abstract of the financial situation of the undertaking, we may now quote an article from the *Economist* in an abridged shape, which was written nearly a year ago, before the recent purchase of shares by England was effected :—

“ Apart from its history the property is a peculiar one, the Company having an absolute monopoly of a certain route of water traffic which must retain for an indefinite time overwhelming advantages for certain kinds of traffic over any other route, whether by land or water, or partly by land and partly by water, such as by the Euphrates valley, which can be devised to compete with it. There are few monopolies so absolute, and as the working expenses, as we shall see, are found by experiment to be small, the conditions of secure profit appear as favourable as possible. If the capital is not excessive, and the traffic is of a kind likely to increase, the shares of the Suez Canal must obviously be ‘worth attention.’

“The ‘open’ capital is thus 8,000,000*l.*, and the preferential capital is, or rather was, a little more than one-half that amount, involving an annual preferential charge of about 451,000*l.*, terminable in from thirty to fifty years. The Company has in one respect been most fortunate. The cost of the Canal was about 6,000,000*l.* more than the above sum, as the capital account shows, but the Company obtained the amount in various ways during the construction, principally from indemnities which the Egyptian Government had to pay on surrendering portions of its original concessions. While the Company thus holds the Canal at much less than cost price, it has also acquired a domain of considerable extent along the course of the Canal as well as in Ports Said and Suez. For the above 12,800,000*l.* it thus possesses a property which cost about 19,000,000*l.*, and an asset of territory of considerable additional value. There is one point in connexion with these additional receipts during construction which it may be useful to clear up. The sum of 1,200,000*l.* was raised by delegations upon the shares of the Khedive of Egypt, but it is the Khedive who is liable for the amount, and the transaction simply was a mortgage of his shares to raise money to pay the Company

what he owed them. The other shareholders appear not to be affected by the arrangement, which may thus be left out of account.

“Such being the capital position of the Company, what was the expenditure and income in the year 1873? The receipts and working expenditure, according to our English phraseology in such matters, were in that year as follows :—

RECEIPTS.	£
Service of transit	928,000
Domain	39,000
Warehouse charges, &c.	5,000
Water supply	3,000
Interest on funds in hand and exchange	18,000
Total	991,000

EXPENDITURE.	£
Administration charges	37,000
Domain	25,000
Service of transit, towing, pilotage, &c.	61,000
Maintenance of Canal, magazines, &c.	93,000
Water supply	9,000
Total	225,000
Net revenue	766,000

The cost of working is thus only 23 per cent., and will probably, so far as can be judged, diminish in proportion as the traffic increases and the domain becomes more valuable. The percentage is much

lower than what was calculated on when the Canal was opened, the maintenance of the works having really proved less costly than was expected. Whether the sum is really sufficient or not, we can of course give no opinion ; but the present managers in the last report at least profess to be quite alive to the necessity of renewals, and are already laying aside funds in advance for that purpose.

“The above sum of 766,000*l.* having been the net income of 1873, we find that the preferential charges upon it were as follows :—

	£
Interest of 4,000,000 <i>l.</i> obligations	325,000
Sinking fund of ditto	77,000
Interest of trentenary bonds	38,000
Sinking fund of ditto	13,000
Annual charge of obligations, stamp duties, &c.	3,000
Control of Egyptian Government	1,000
Annual charge of shares, stamps, &c. . . .	9,000
Commissions, &c.	3,000
Total	<u>£469,000</u>

Deducting this sum from the above 766,000*l.* of net earnings, the available amount for the shareholders in 1873 was 297,000*l.*, which is equal to a dividend of $3\frac{3}{4}$ per cent. on the shares. Actually the amount seems to have been used in paying the overdue half-yearly coupon of July, 1870, representing $2\frac{1}{2}$ per

cent. interest ; and a balance of 182,000*l.*, including upwards of 80,000*l.* brought forward from previous years, was carried forward to 1874.

“ The position of the Company thus is that the shares were earning a dividend of $3\frac{3}{4}$ per cent. in 1873, and the question remaining is—What rate of growth can fairly be calculated on? It is known already that the traffic receipts of 1874 considerably exceeded those of 1873, the amount being 1,030,000*l.*, or an increase of 39,000*l.*, which would bring the dividend above 4 per cent. if the working expenses were not increased. Actually we may assume, the 5 per cent. coupons will now be paid, including the annual charge for the overdue coupons, the difference being obtained from the large balance carried over from 1873; but the last annual return can hardly be taken perhaps at more than $4\frac{1}{4}$ per cent.

“ With regard to the prospects of increase, the progressive development of traffic during the last three years, when the undertaking may be considered to have come fully into notice, has been as follows :—

	Vessels.	Tonnage.
Traffic in 1872	1082 ...	1,439,000
— 1873	1173 ...	2,085,000
— 1874	1264 ...	2,424,000

which is an increase in 1873 over 1872 of 45 per

cent., and in 1874 over 1873 of about 15 per cent., the diminished rate of increase in the latter case, however, being perhaps partly due to the new mode of measurement enforced on the Company, and of which it incessantly complains. But in any case it would almost certainly be unsafe for an intending investor to reckon on so large an annual increase as even 15 per cent. Such a growth of traffic on almost any route after the initial stage of development is passed would be without precedent. We should be inclined to suggest, however, that a minimum increase of 5 per cent. per annum may perhaps be counted on. This is the rate of increase of traffic on railways in the United Kingdom, the rate of increase in our foreign shipping, and less than the rate of increase in our steam shipping, which is the class of shipping by which the Suez Canal is almost exclusively used. Looking also to the undeveloped state of such countries as China and Japan, with which the Canal connects Western Europe, we see no reason to doubt that perhaps an exceptional increase of business with those regions as well as with India will take place, so that the minimum of an annual 5 per cent. increase for a long while to come may really be possible. Even a less increase would be equivalent

to an increase of about $\frac{1}{2}$ per cent. annually in the dividend of the Company, the rate of progress in a year or two becoming even greater than that, as the amounts on which the traffic increase is calculated become larger. It is necessarily a speculation, however, what the rate of increase will be, and investors must form their own opinion on that point. The useful formula to bear in mind, is that it requires 80,000*l.* net to make 1 per cent. on the shares, and that 200,000 tons additional tonnage annually will yield the 80,000*l.* or, allowing for 20 per cent. working expenses, 250,000 tons. *Per contra*, the tariff, as now fixed, is to be lowered from time to time as the annual tonnage rises to certain fixed amounts, and this is an obvious deduction from the benefit to be otherwise obtained from a growing traffic. In time also, the expense of widening the Canal to meet the growing traffic must be faced.

“There are also several other things ‘to the good,’ which ought not to be lost sight of. The first is the possible increased value of the Company’s rents as the business increases, and the neighbourhood of the ports and stations becomes more settled, an asset, we believe, which will ultimately be of considerable value, though it is, of course, one of the most diffi-

cult to estimate. Second, the preferential charges to the extent of about 450,000*l.* a year are all terminable in from 30 to 50 years. This will be another 5 per cent. on the shares when it falls in, and in time will be a reversion of considerable value. Third, the Company has a claim against the Turkish and Egyptian Governments in respect of the lower tariff forced on it, compared with what it claims right to under the original firman. We should not recommend any one to place much value on the successful enforcement of this claim, but the past diplomatic successes of M. de Lesseps make it impossible to pass it over. If the Company succeeds at all, it will both get something by way of arrears, and come into possession of a higher tariff which may immediately add to its income.

“ Altogether the facts appear to us fully to bear out the statement with which we began as to the remarkable nature of this property which has now been introduced to the London Stock Exchange. It seems quite probable that it may become another illustration of the great value of an absolute monopoly of an article of increasing use, of which the shares of the New River Company, which supplies North London with water, and which has had

all the benefit of the vast growth of London for nearly 200 years, have, perhaps, been the best illustration hitherto known. The position of the Suez Canal Company appears to us a commanding one of the same species, with the important exception, however, that it is exposed to political hazards and to interruptions from war, which are, of course, a drawback to every other advantage."*

As to the value of the Canal as a commercial undertaking an intelligent writer has given some careful calculations.

"The gross receipts during the year 1874 amounted to 11,725*l.* per mile, which is 3.1 times the average receipt per mile of railways in the United Kingdom. But while the English income thus bears a slightly inferior ratio to the capital laid out in order to obtain it, the proportion of working costs is very much lower in the Canal than on any locomotive line. The English income of 3459*l.* per mile was earned by the expenditure of 1924*l.* per mile, or 56 per cent. of the gross return. The Egyptian income of 11,725*l.* per mile was earned by the expenditure of 2750*l.* per mile, or 23.5 per cent. of the gross return.

* *Economist*, March 6th, 1875.

This highly advantageous condition is the result of the derival of the main bulk of the revenue of the Canal Company from tolls, and not from the labour of the Company as carriers, which latter forms the chief source of the income of a railway company. The cost of maintenance of the Canal per mile is somewhat more than three-fourths of the total outlay per mile on the railways of the United Kingdom, of which outlay maintenance only forms 20 per cent. The annual cost is 1396*l.* maintenance for the Canal, and 1924*l.* for the whole expenditure of the railways. The expense incurred for transit and navigation service on the Canal is 669*l.* per mile; the cost of the locomotive department on our railways being 549*l.* per mile, for which all the work of traction has to be done. It follows that while an increase of 5 per cent. in the revenue of the English railways, which has been taken as a normal annual increment of business, only produces a net benefit of 2·2 per cent. (and that on the condition, which has not been fulfilled for the last five years, that the capital cost per mile shall not be augmented), an increase of 5 per cent. in the revenue of the Suez Canal (which is less than the increase of each of the last two years) produces a net benefit of 3·725 per cent., the whole of which is attributed to the original shareholders

until they receive 5 per cent. on the swollen or imaginary capital of 9,360,000*l.*, and 70 per cent. of the surplus profits after that dividend has been paid. It is thus evident that the rapidly increasing traffic of the Suez Canal will very shortly place the original stock of that undertaking in a position of unassailable value. The net revenue of the year 1874 is returned at 807,671*l.* From this the sum of 462,340*l.* has first to be taken in order to pay interest on loan, sinking fund, and certain charges of the Egyptian Government. The remaining sum of 345,331*l.* is equal to a dividend of 6·6 per cent. on the actual cash capital of the original shareholders; if the interest actually returned to them, and the nominal 'consolidated interest,' is deducted from the nominal or paper capital of 9,360,000*l.*, it is equal to a dividend of 3·68 per cent. on that swollen and fictitious capital. An increase of less than a seventh of the actual gross revenue—that is to say, an additional gross income of 160,000*l.* per annum—will yield 5 per cent. on the entire nominal share capital. The gross income of 1874 exceeded by 64,000*l.* that of 1873; so that it is not unreasonable to anticipate that by the close of 1877 the income of the Suez Canal will be adequate to the discharge of all obligations of the Company, and to the payment of 5. per cent.

dividend to the ordinary stockholders. The question as to which we are as yet to some extent in the dark—as to the further cost which ought to be incurred in the revetment of the sides of the Canal, and the improvement of a certain portion of its course—ceases to have any very formidable magnitude in the face of such a plain statement as the above. We may consider that M. de Lesseps has been compelled to leave his great work incomplete in these particulars, in consequence of the absorption of so much of the nominal capital of the undertaking by the subscribers themselves, under the name of interest. It has been a gigantic case of robbing Peter to pay Paul, and Peter is still partially unclad in consequence. The want of due protection to the banks compels the reduction of the speed of the vessels using the Canal to four miles per hour. If the works were so constructed as to allow of twice or two and a half times that speed, which is quite within the competence of the machinery of the day, the accommodation afforded by the Canal would be correspondingly increased. It is plain that this will be an amply remunerative employment of capital. To save from nine to eleven hours in the transit from sea to sea is an object of no small importance to our shipping.

“What exact share in the control and in the net profits of this magnificent work we have secured by the payment of four millions sterling for $\frac{1}{11}$ ths of the original capital stock, I leave to be explained by the more competent authority of her Majesty’s Ministers. I am only desirous now to place before the public of this country such a definite analysis of the condition of the Canal from an engineering point of view, as they are accustomed annually to receive from the Board of Trade with reference to the railways of the United Kingdom. It is clear that it is in this aspect undervaluing the Canal property to speak of it as worth double the average value of our railway property. For three times the original cost we receive three times the gross earnings of the latter, mile by mile; but more than six times their net revenue is secured. The unique position of the cut frees it from any possible competition. The present moderate charge, which is only a mere fraction more than a penny per ton per mile, gives a revenue equal to four times the cost of maintaining the navigation. The profit of three farthings per ton per mile is enough at this moment to pay 8 per cent. on the whole actually expended share and loan capital of 10,000,000*l.*; or 5·7 per cent. over the entire nominal capital of 14,160,000*l.* The gross income is increas-

ing at the rate of $6\frac{1}{2}$ per cent. per annum, and the net income at a slightly higher ratio. On the English railways, while the gross income of 1874 is 1,224,000*l.* more than that of 1873, the net income is actually 375,000*l.* less; the rate of working cost having risen to 56 per cent. in 1874, from 54 per cent. in 1873, and from 49 per cent. in 1858. Against this has to be set the Suez working rate of 23·5 per cent. in 1874, and 23·7 per cent. in 1873. Regard the matter as we may, it is an engineering enterprise which is an honour to the nineteenth century. It will be a matter of great satisfaction to me to be able to lay this straightforward account of the subject before the public in a form to which they are accustomed."*

Finally, we come to the question—What has been the work of the Canal? The receipts for tolls have been as follows :—

1870	£206,373
1871	359,747
1872	656,305
1873	915,893
1874	994,375
1875 . . (estimated at)	1,190,000

The report for 1875 will not be issued until next

* "Brindisi" in *Pall Mall Gazette*, Jan. 27, 1876.

July, but it was known that the increase in nine months of the year was 152,335*l.* over that of 1874, which makes a fair basis for the estimate we have set down. According to these returns it will be seen that the receipts were trebled in two years from the opening, and in the next four years this amount had almost been doubled, while the receipts at the end of last year were nearly six times those of the first. This progress—or anything approaching it—will not, of course, be maintained; but, on the other hand, the steady increase at 5 per cent., at which some competent authorities have declared it will settle down, seems far too low. There are hardly any data, indeed, to go upon, the development being literally incalculable, for we know not now to what extent the trade with the East may expand under this new encouragement, and 15 or 20 per cent. steady increase does not seem so improbable.*

Such is an imperfect view of the financial side of this grand work. We shall next place before the reader the balance sheets, which speak for themselves.

* It has just been announced that the tonnage for the year 1875 reached to 2,940,708 tons.

Inventaire Général (Capital Account) de l'Actif et du Passif au 31 Décembre 1869,

(For account of the preceding year, see p. 64.)

Dr.		COMPTE GÉNÉRAL	
DÉPENSES REPRÉSENTANT LE PRIX DE REVIENT AU 31 DÉCEMBRE 1869, DU CANAL MARITIME.			
Dépenses générales de constitution, de souscription et de confection des actions. (Expenses of formation) ...		2,901,426 27	}
Frais de l'emprunt de 100 millions, réalisés en deux émissions, publicité, impression, confection de titres. (Expenses of loan) ...		1,436,012 90	
Intérêts acquis aux actions pour les onze années : 1868, 1869, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869 (Eleven years' interest) ...		66,846,868 30	}
(23,673,000)*			
Intérêts acquis aux obligations pour les deux années : 1868-1869 ...		12,018,187 50	}
(Interest on obligations)		(2,480,000)	
Amortissement des obligations pour les deux années : 1868-1869. (Sinking Fund) ...		2,610,000 00	}
Dépenses des services : de Santé, 1868-1869 ...		972,210 24	
du Télégraphe, 1868-1869 ...		187,417 27	}
du Domaine, 1869 ...		65,066 94	
du Transit ...		12,102,637 15	415,798,820 20
Dépenses de la construction proprement dite, y compris l'amortissement de la valeur du mobilier, du matériel et de l'outillage ...		291,330,460 41	}
(Construction)		(£11,662,000)	
Frais généraux d'administration pour les onze années, de 18-6 à 1869 : Paris ...		9,450,084 42	}
Alexandrie ...		4,702,387 46	
(Eleven years, at about £50,000 a year.)		14,162,471 88	}
Frais de négociation de valeurs, et spécialement de bons du Trésor égyptien, reçus en exécution de la sentence impériale. (La Compagnie a été couverte de cette dépense dans le compte des Délégations) ...		8,980,563 28	
Commission et frais divers payés aux correspondants de la Compagnie		794,769 23	}
Droits de timbre et de transmission payés sur les actions de la Compagnie ...		1,267,826 73	
ACTIF SUIVANT ESTIMATION. (LANDS, HOUSES, &c.)			
HOTEL DE LA COMPAGNIE, A PARIS :—Achat et appropriation ...		920,310 48	}
MOBILIER ET MATERIEL DES BUREAUX : Paris ...		97,406 60	
Alexandrie ...		9,331 50	106,737 10
DOMAINE : Terrains, valeur ...		Mémoire.	}
Bâtimens ...		4,780,281 59	
Mobilier et articles divers ...		1,630 60	4,781,612 09
TRANSIT : Mobilier ...		37,966 61	}
Matériel roulant et flottant ...		168,401 58	
Approvisionnements ...		14,027 51	}
Traction ...		13 958 10	
ENTRETIEN : Matières, Combustibles ...		5,001,410 27	224,282 80
Matériel divers ...		420 845 81	}
TELEGRAPHES : Matériel et outillage ...		40,390 80	
Mobilier et articles divers ...		4,374 00	5,512,266 08
Fonds de roulement, moins les retenues pour rapatriement ...		2,600 00	}
SERVICE DES EAUX : Matériel ...		2,173,440 09	
Bâtimens ...		219,800 00	}
Approvisionnements ...		5,930 43	
Mobilier ...		536 00	47,364 80
Frais de premier établissement ...		3,398,706 42	}
Frais de premier établissement ...		3,016,684 58	
ACTIF COURANT.		5,416 800 00	432,907,863 56
DÉBITEURS DIVERS : Versements en retard sur obligations ...		50,475 00	}
— sur délégations ...		2,331,550 00	
Débiteurs en compte courant ...		63,641 14	2,445,066 14
FINANCES ET PORTAFEUILLE. AGENCE SUPERIEURE D'ALEXANDRIE			}
Paris-caisse ...		126,508 60	
Banques et caisses de dépôt ...		10,964,903 80	}
Valeurs et cautionnements ...		330,196 43	
Effets et valeurs diverses ...		544,769 61	30,898,742 23
ACTIF ...		11,955,436 44	}
ACTIF ...		453,644,624 80	
			(£16,146,000)

* A few of the more important entries are given roughly, in English money.

TABLE (A).

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présenté à l'approbation de l'Assemblée Générale des Actionnaires du 31 juillet 1872.

AU 31 DÉCEMBRE 1869.*

Cr.

Capital social (400,000 actions à 500 francs)	300,000,000 00
	(£25,000,000)
Emprunt (333,333 obligations à 300 francs)	99,999,000 00
	(£8,332,500)
Créanciers divers	7,064,625 59
	(£585,130)

RÉSUMÉ.

Montant de l'actif	453,644,621 80
— du passif	307,064,525 59
Différence en faveur de l'actif	
détaillée d'autre part	146,580,096 21†
	(£12,000,000.)

PASSIF	307,064,525 59
	(£12,332,000 odd)

* Later the Auditors of the Company presented a fuller and more detailed account for the year. (See Table F.)

† For the items comprised in this amount see Table of Profits, (B), on next page.

Vu et signé ne varietur : Les Membres du Comité de vérification,
SPÉMENT, MALOT, PROSEZ, TOURNEUX, RABOURDIN, L. DE CALADON.

Table of Profits referred to in Account (A).

**PRODUITS RÉALISÉS AU 31 DÉCEMBRE 1869, PAR LA
COMPAGNIE, PENDANT L'EXÉCUTION DU CANAL.**

(Profits during the construction of the Canal)

Savoir:		
Recettes antérieures à la constitution de la Compagnie ...		6,504 88
Indemnité payée par le vice-roi, conformément à la sentence impériale du 6 juillet 1864... ..	(Viceroy's Indemnity)	84,000,000 00 (£3,360,000)
Prix des cessions faites au Gouvernement égyptien par la convention du 23 avril 1869, et règlement de compte (Délé- gations)	30,000,000 00	
A déduire:		
La valeur des magasins de Damiette, achetés antérieurement par contrat	255,469 20	
	(Price of lands restored to Viceroy)	29,744,530 80 (£1,180,000)
Produits de placements temporaires de fonds		19,013,920 22
Produits nets de ventes du domaine,		
Savoir:		
Cession de l'Ouady	10,000,000	
A déduire:		
Le principal de l'Acquisition, le Mobi- lier, le Matériel et les Constructions du fait de la Compagnie, et l'Indem- nité de licenciement du personnel	2,406,648 01	
NET	7,593,351 99	
TERRAINS DIVERS	24,093 51	
		7,617,445 50
Recettes des services:		
de la Construction		401 70
du Transit et des Transports		4,458,465 81
de Santé		120,761 21
de la Poste et du Télégraphe		108,022 22
du Domaine... ..		873,906 69
Recettes diverses, négociation de traites, change de monnaies		636,140 18
		146,580,099 21 (£5,860,000)
	say	

Inventaire ou Compte Général au 31 décembre 1870 présenté à l'approbation de l'Assemblée Générale des Actionnaires du 31 juillet 1872.

[illegible]

Vu et signé de valieteur :
Les Membres du Comité de vérification.
SPÉMENT, PROPRE TOURNEUX, L. DE CALADON, MALOT, RABOURDIN.

**RECETTES OU PRODUITS RÉALISÉS PAR LA COMPAGNIE
PENDANT L'EXÉCUTION DU CANAL.**

Savoir:		
Recettes antérieures à la constitution de la Compagnie		6,504 88
Indemnité payée par le Vice-Roi, conformément à la sentence impériale du 6 juillet 1864		84,000,000 00
Prix des cessions faites au Gouvernement égyptien par la Convention du 23 avril 1869 et règlement de comptes (Délégations)	80,000,000 00	
A déduire :		
La valeur des magasins de Damiette achetés antérieurement par contrat	255,469 20	
	<u>29,744,530 80</u>	29,744,530 80
Produits de placements temporaires de fonds		19,159,548 40
Produits nets des ventes du Domaine		
Savoir :		
Cession de l'Ouady	10,000,000 00	
A déduire :		
Le principal de l'Acquisition, le Mobilier, le Matériel et les Constructions du fait de la Compagnie et l'Indemnité de licenciement au personnel	2,406,648 01	
Net	7,593,351 99	
Terrains divers	24,093 51	
	<u>7,617,445 50</u>	7,617,445 50
Recettes des services:		
de la Construction		401 70
du Transit		4,458,465 81
de Santé... ..		137,415 21
de la Poste et du Télégraphe		123,707 67
du Domaine		943,648 03
Recettes diverses, négociation de traites, change de monnaie		639,185 56
		<u>146,830,853 56</u>

TABLE (E). PROFIT AND LOSS ACCOUNT.

COMPTES DE L'EXERCICE 1870, présentés à l'Approbation de l'Assemblée Générale des Actionnaires, du 31 juillet 1872.

COMPTES DE L'EXERCICE 1870. (See also for Assorted Account, Table G.)

DÉPENSES.		RECETTES.	
CHARGES SOCIALES.		Produits de placements temporaires de fonds	
Intérêts de l'Emprunt de 100 millions	9,268,950 00	Recettes de Banque	301,268 53
Amortissement de l'Emprunt de 100 millions	1,790,000 00		14,748 26
Charges annuelles des Obligations, Timbre, l'Transmission	271,320 39		
Charges annuelles des Actions, Timbre, Transmission	181,266 73		
Commissaire du Gouvernement égyptien	30,000 00		
	(Charge for Interest)	SERVICES D'ÉGYPTES.	
		Transit	5,718,756 90
		Domaines	284,191 30
DÉPENSES ADMINISTRATIVES.		Service des eaux	19,031 70
Administration centrale	719,721 43	Télégraphe	139 00
Agence supérieure	349,990 91	Entretien	390,855 41
	(Charge for Administration)		
		(Profits from Telegraph, Sale of Water and Land, as well as Canal Tolls)	6,383,973 31
			(2433,000)
SERVICES D'ÉGYPTES.		Recettes effectives	6,600,690 30
Entretien	2,769,608 70	Recettes d'ordre	2,673,738 57
Transit	1,222,241 79		
Domaines	417,963 13		
Service des eaux	232,166 83		
Télégraphe	173,068 23		
Service de santé	110,439 57		
	(Egyptian "Service")	Total des recettes	9,274,328 87
			(2370,000)
Dépenses effectives	4,906,308 31	Insuffisance de l'Exercice 1870, reportée au compte de Premier	
Dépenses d'ordre	16,518,563 76	Établissement	9,489,014 97
	2,546,791 06		(2380,000)
			(Déficit of 1870)
Total des dépenses	18,968,343 84	Somme égale	18,968,343 84
	(Total working expenses)		(2713,000)

TABLE (F).

COMPTES DE L'EXERCICE 1869, soumis à l'examen de M.M. les Commissaires-Verificateurs, nommés par l'Assemblée générale des Actionnaires des 24 août 1871, pour être présentés à l'approbation de l'Assemblée générale des Actionnaires du 31 juillet 1872.

Comptes Crédoiteurs.

Comptes Débiteurs.

DESIGNATION DES COMPTES.		SOMME.	DESIGNATION DES COMPTES.		SOMME.
Intérêts acquis aux Actions ...	...	7,792,475 00	Principal de la Convention avec le Gouvernement égyptien, en date du 23 août 1869 ...	...	29,744,530 80
Intérêts acquis aux Obligations ...	...	9,311,608 26	RECETTES ANTÉRIEURES A L'EXERCICE 1869.	...	
Amortissement des Obligations ...	...	750,000 00	Ventes ...	...	5 50
Mobilier ...	...	155 00	Recettes diverses ...	...	5,816 30
Service du Transit ...	...	2,817,141 28	Services de Santé ...	...	11,173 00
Service de Santé... ..	...	888,795 73	RECETTES DE L'EXERCICE 1869.	...	18,988 70
Service du Télégraphe ...	...	118,563 02	Produits de placements de fonds disponibles ...	...	718,609 76
Dépenses administratives ...	...	2,105,185 01	RECETTES DE BANQUE ET EXCÉDANTS	...	
Négociation de valeurs ...	...	7,256,890 89	SUR DÉLÉGATIONS.	...	
Emprunt de 100 millions ...	...	252,831 36	Recettes de banque ...	...	77,463 64
Dépenses générales de la Construction	...	33,732,658 37	Excédant sur émission... ..	...	774,537 47
Service du Domaine ...	...	99,078 19	Ventes diverses ...	...	882,090 11
Frais de l'Exposition de 1867 ...	...	194,401 64	Recettes du service du Domaine ...	...	338 25
Frais d'inauguration ...	...	36,036 83	— de Santé ...	...	412,644 40
A déduire sur compte :	...		— du Télégraphe ...	...	41,873 00
Emission de délégations ...	...	65,340,798 27	— du Transit et des Transports	...	61,568 55
	...		A DÉDUIRE :	...	1,037,074 86
	...		Sur excédant de frais d'émission de Délégations ...	...	3,124,107 93
	...			...	23,986,633 43
	...			...	218,098 31
	...			...	33,377,834 13
	...			...	(£1,324,000)

(Receipts)

(Payments)

Vu et signé ne valent :
Les Membres du Comité de vérification,
SPÉMENT, PACHA TOURNÉUX, L. DE CALADON, MALOT, KABOUEDIN.

RECEIPTS AND EXPENSES 1871.		COMPTE DE
DÉPENSES.		
CHARGES SOCIALES.		
Intérêts des Obligations	8,226,693 75	
Amortissement des Obligations	1,833,000 00	
Intérêts à 5 0/0 ajoutés du 25 octobre au 31 décembre aux Coupons et aux Amortissements et retard	77,302 15	
Charges annuelles des Obligations, droits de Timbre, de Transmission, etc.	265,158 74	
Contrôle du Gouvernement égyptien	30,000 00	
Charges annuelles des Actions, droits de Timbre, de Transmission, etc.	130,000 00	
		10,562,154 64 (£422,000)
DÉPENSES ADMINISTRATIVES.		
(Administration générale.—Conseil d'Administration.—Personnel		
France { Frais divers.—Publicité	514,028 42	
{ Commissions et frais divers payés aux Correspondants	156,204 42	
{ Personnel et Frais divers de l'Agence supérieure	45,522 50	
Égypte { Service de Santé	224,054 27	
{	21,843 61	
		961,653 22
SERVICE DU DOMAINE.		
Personnel et frais divers	162,933 27	
Surveillance des Terrains.—Piquetage.—Essais de culture.—Plantations	10,428 07	
Entretien des Bâtiments et des Plantations	52,145 23	
Appropriation de Terrains.—Création de Voies	336,327 77	
		561,834 34
SERVICE DU TRANSIT, DE LA NAVIGATION ET DU TÉLÉGRAPHE.		
Personnel classé et Personnel auxiliaire	611,454 17	
Frais divers	162,592 64	
Dépenses d'Exploitation.—Personnel de traction.—Salaires d'équipages.—Houille.—Matières et outillage.—Entretien et réparation du matériel.—Vigies.—Sémaphores	944,823 37	
		1,718,870 80
SERVICE DE L'ENTRETIEN, DU MATÉRIEL ET DES MAGASINS.		
Personnel et Frais divers	893,222 01	
Exploitation du Magasin général et des Dépôts de matériel	352,494 26	
Entretien du Canal et de ses accessoires	547,270 50	
		1,792,986 77
SERVICE DES EAUX.		
Personnel et Déplacements	114,412 85	
Charbon, Matières, Entretien et grosses réparations	63,017 52	
Travaux de Canalisation et d'Installation de nouvelles conduites	111,791 47	
		289,221 84
Total des Dépenses spéciales à l'Exercice 1871	15,836,720 99	
(Total working Expenses 1871)	(£634,000)	
Dépense sur Exercice clos	31,858 39	
Total Général	15,918,579 38	
(Total outlay)	(£636,000)	

L'EXERCICE 1871.

RECETTES.								
SERVICE FINANCIER.								
Produits des placements temporaires de fonds disponibles	14,276 40							
Recettes de banque.—Change de monnaies.—								
Recettes diverses	71,264 28	85,540 68						
SERVICE DU DOMAINE. (LANDS.)								
Locations de terrains	69,825 28							
Ventes de terrains	838,757 07							
Location de bâtiments	160,978 24	1,069,560 59 (£40,000)						
SERVICE DU TRANSIT, DE LA NAVIGATION ET DU TÉLÉGRAPHE. (CANAL RECEIPTS.)								
Recettes du Transit	<table><tr><td>{ Navires</td><td>7,599,463 08</td></tr><tr><td>{ Passagers</td><td>461,660 00</td></tr><tr><td>{ Barques</td><td>157,116 08</td></tr></table>	{ Navires	7,599,463 08	{ Passagers	461,660 00	{ Barques	157,116 08	8,218,239 11
{ Navires	7,599,463 08							
{ Passagers	461,660 00							
{ Barques	157,116 08							
Pilotage	627,007 85							
Remorquage	248,901 72							
Stationnement	37,949 47							
Trafic, ou Transport	<table><tr><td>{ Voyageurs</td><td>51,453 48</td></tr><tr><td>{ Messageries</td><td>3,984 86</td></tr><tr><td>{ Marchandises</td><td>6,309 14</td></tr></table>	{ Voyageurs	51,453 48	{ Messageries	3,984 86	{ Marchandises	6,309 14	61,746 98
{ Voyageurs	51,453 48							
{ Messageries	3,984 86							
{ Marchandises	6,309 14							
par le matériel de la Compagnie ...								
Location du matériel flottant et recettes diverses	56,612 98	9,250,457 61 (£370,000)						
SERVICE DE L'ENTRETIEN, DU MATÉRIEL ET DES MAGASINS.								
Ventes de matériel	2,447,236 66							
Location de matériel et fournitures de lest pour navires	30,131 50							
Recettes diverses	232,451 87	2,709,819 53						
SERVICE DES EAUX. (SALE OF WATER, &c.)								
Fourniture d'eau, établissement de prise d'eau, Bornes-fontaines et recettes diverses	59,375 82							
Ventes de matériel et de matières	52,340 50							
Remboursement de travaux exécutés pour le compte du Gouvernement égyptien	43,043 77	154,760 09 (£6,000)						
Total des Recettes spéciales à l'exercice 1871 ...		13,270,138 50						
Recettes sur exercice clos		5,936 00						
Total		13,276,074 50 (£530,000)						
Insuffisance reportée au compte de premier établissement ...		2,642,504 88 (£105,000)						
(Balance against Company carried to Capital)								
Total Général		15,918,579 38						

Dr.

INVENTAIRE GÉNÉRAL.

DÉPENSES REPRÉSENTANT LE PRIX DE REVIENT DU CANAL
MARITIME AU 31 DÉCEMBRE 1871.

Dépenses constatées à l'inventaire général, au 31 décembre 1870	425,536,880 77
Dépenses d'achèvement, d'augmentation et d'amélioration du Canal, en 1871	3,185,804 36
Frais d'émission des Bons trentenaires, en 1871	136,940 40
Total	428,961,625 53
A déduire : Le prix d'estimation du matériel pris en charge par le service de l'entretien en 1871	4,935,969 98
	423,925,655 57

LIQUIDATION DES EXERCICES 1870-1871.

Insuffisance de l'exercice 1870	9,539,014 97
Insuffisance de l'exercice 1871	2,642,604 88
	12,181,519 85

ACTIF SUIVANT ESTIMATION.

Domicile administratif et siège social	Hôtel de la Compagnie, à Paris... 928,673 92	
	Mobilier et matériel des bureaux : Paris ... 97,869 80	
	Alexandrie, Caisses et Résidences. 20,164 80	1,046,718 33
Service du Domaine	Terrains, valeur Mémoire.	
	Bâtiments 3,978,348 23	
	Mobilier matériel... .. 14,561 15	3,992,909 37
Service du Transit, de Navigation et du Télégraphe	Mobilier et matériel des bureaux 19,025 69	
	Matériel et outillage 438,181 25	
	Approvisionnements 12,792 61	
	Bâtiments 680 00	470,599 45
Service de l'Entretien du matériel et des magasins	Mobilier et matériel des bureaux 19,305 10	
	Matériel et outillage en service... 6,860,371 78	
	Approvisionnements divers ... 2,944,571 13	9,634,346 01
Service des Eaux	Mobilier 969 70	
	Conduite, réservoir, appareils, matériel 2,320,025 80	
	Approvisionnements 57,794 63	
	Bâtiments et abris 137,160 00	
	Frais de premier établissement.. 2,515,940 12	
	3,018,594 58	5,533,534 70
		20,667,009 86

ACTIF DISPONIBLE OU RÉALISABLE.

Caisses, Banque de France et Sociétés de crédit	767,969 10	456,824,106 27
Portefeuille	833,818 78	
Reports	1,160,988 40	
Agence d'Alexandrie	2,963,384 21	
Obligataires en retard	38,300 00	
Délégataires en retard	731,090 00	
Débiteurs divers ou divers Comptes Courants débiteurs	667,315 16	
Mandats à recevoir	48,843 00	
Coupons d'obligations à échoir en avril et octobre 1872, appliqués à la souscription des Bons trentenaires	756,612 50	
Comptes courants des services d'Égypte	204,500 91	
Emprunts en Bons trentenaires :		
Solde à recevoir en mars 1872, sur les Bons placés au 31 déc.	426,525 00	
Bons restant à placer pour porter à 12 millions l'émission de l'emprunt	6,587,500 00	
Portion réservée de l'emprunt	8,000,000 00	
	15,014,025 00	23,156,517 06
		479,980,713 33

TABLE (I).

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AU 31 DÉCEMBRE 1871.

Cr.

Capital social : 400,000 Actions de 500 fr.	200,000,000 00
Emprunt de 1867-1868 : 833,333 Obligations émises à 300 fr.	99,999,900 00
Emprunt de 1871 : 200,000 Bons trentenaires émis à 100 fr.	20,000,000 00
	319,999,900 00
Créanciers divers :	
Solde restant dû sur coupons d'Actions mis en paiement ...	83,643 50
do. d'Obligations mis en paiement ...	713,812 50
do. sur Obligations appelées au remboursement ...	498,500 00
Coupons des Obligations du 1er avril 1871 ...	3,312,450 00
do. du 1er octobre 1871 ...	
1871 ...	
Tirages des Obligations des 15 mars et ...	
15 juin, 15 octobre et 15 décembre 1871 ...	
Actions vendues pour compte de divers ...	
Effets à payer ...	
Mandats à payer ...	
Divers créanciers ou divers Comptes Courants créanciers ...	
	13,207,771 04
TOTAL DU PASSIF ...	333,207,671 04
Différence en faveur de l'ACTIF reportée pour balance et représentant les produits réalisés pendant la période de Construction et de Premier Etablissement, suivant détail d'autre part ...	147,773,041 20
(Non compris la valeur des terrains figurant pour mémoire à l'actif).	
	479,980,712 20

**RECETTES OU PRODUITS RÉALISÉS PAR LA COMPAGNIE
PENDANT L'ÉXÉCUTION DU CANAL.**

Savoir :		
Recettes antérieures à la constitution de la Compagnie...		6,504 88
Indemnité payé par le Vice-Roi, conformément à la sentence impériale du 6 juillet 1864		84,000,000 00
Prix des cessions faites au Gouverne- ment égyptien par la Convention du 23 avril 1869 et règlement de comptes (Délégations)... ..	30,000,000 00	
A déduire :		
La valeur des Magasins de Damiette achetés antérieurement par contrat...	255,469 20	
	<u>29,744,530 80</u>	29,744,530 80
Produits de placements temporaires de fonds		20,103,536 13
Produits net des ventes du Domaine.		
Savoir :		
Cession de l'Ouady	10,000,000 00	
A déduire :		
Le principal de l'Acquisition, le Mobi- lier, le Matériel et les Constructions du fait de la Compagnie et l'Indem- nité de licenciement du Personnel ...	2,406,648 01	
Net	7,593,351 99	
Terrains divers	<u>24,093 54</u>	
		7,617,445 50
Recettes des services :		
de la Construction		401 70
du Transit		4,458,465 81
de Santé		137,415 21
de la Poste et du Télégraphe		123,707 67
du Domaine		941,848 03
Recettes diverses, Négociation de Traités, Change de Monnaie		639,185 56
		<u>147,773,041 29</u>

COMPAGNIE UNIVERSELLE DU CANAL
MARITIME DE SUEZ.

COMPTE DE L'EXERCICE 1872.

Inventaire Général au 31 Décembre 1872.

* * The reader may find the following abstract useful :—

TABLE A, p. 98, is the *Capital Account* as it stood at the opening of the Canal, in December, 1869, and it includes Table B, p. 100, receipts *before* opening.

TABLE F, p. 104, gives the *audited* receipts and expenses of 1869.

TABLE G, p. 105, those of 1870.

TABLE H, p. 106, those of 1871.

TABLE K, p. 112, those of 1872.

TABLE N, p. 118, those of 1873.

TABLE Q, p. 124, those of 1874.

While TABLE R, p. 126, shows the Capital Account to December, 1874.

RECEIPTS AND EXPENSES 1872.

COMPTE DE

DÉPENSES.

CHARGES SOCIALES. (INTEREST, &c.)			
Intérêts des obligations	8,182,275	00	
Amortissement des obligations	1,877,500	00	
Intérêts à 5 0/0 ajoutés du 1 ^{er} janvier aux dates de mise en payement des coupons et des amortissements en retard	56,258	00	
Intérêts des Bons trentenaires	980,000	00	
Charges annuelles des Obligations et des Bons, Droits de timbre, de transmission	167,673	61	
Contrôle de Gouvernement égyptien	30,000	00	
Charges annuelles des Actions, Droits de transmission	78,701	92	
Commissions et frais divers des correspondants	65,492	14	
DÉPENSES ADMINISTRATIVES. (ADMINISTRATION.)			11,417,899 87 (£466,000)
Administration générale. Conseil d'Administration. Personnel	483,799	64	
FRANCE { Frais divers. Publicité. Assemblées générales. Agence de Londres	160,902	17	
ÉGYPTE { Personnel et frais divers de l'Agence supérieure	223,149	91	
Service de santé	27,765	00	
DOMAINE. (LANDS.)			895,617 12 (£34,000)
Personnel et frais divers	144,650	67	
Surveillance des terrains. Entretien des appointements Appropriation des terrains. Création de voies. Plantations nouvelles	167,988	23	
Entretien des bâtiments et des plantations. Essais de culture	68,811	74	
Part revenant au Gouvernement égyptien, d'après les comptes de la C ^e , dans les produits du domaine commun du 23 avril 1869 au 31 décembre 1872	194,568	00	
SERVICE DU TRANSIT, DE LA NAVIGATION ET DU TÉLÉGRAPHE.			591,080 57 (£23,000)
Personnel classé et Personnel auxiliaire	523,652	98	
Frais divers	149,148	95	
Dépenses d'exploitation. Personnel de traction. Salaires d'équipages. Houille. Matières et outillage. Entretien et réparations du matériel. Vigies. Sémaphores. (Working of canal, tugs, &c.)	941,446	65	
SERVICE DE L'ENTRETIEN, DU MATÉRIEL ET DES MAGASINS. (MAINTENANCE.)			1,614,248 58 (£64,000)
Personnel et frais divers	631,003	92	
Entretien et réparation du matériel et Exploitation des dépôts de matériel	110,502	78	
Entretien du Canal et de ses accessoires	829,765	03	
SERVICE DES EAUX.			1,571,271 73 (£63,000)
Personnel et Déplacements	109,760	64	
Charbon. Matières. Entretien et grosses réparations Travaux de canalisation et d'installation de nouvelles conduites	42,462	17	
	11,404	78	163,627 39
Total des Dépenses de l'exercice 1872			16,523,745 46 (£650,000)
Excédant des Recettes sur les dépenses			2,071,279 00 (£80,000)
(Balance in favour of Company*)			
* The first time this favourable state of things occurred.			18,325,024 46

TABLE (K).

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L'EXERCICE 1872

RECETTES.

SERVICE FINANCIER.

Produits des placements temporaires des fonds disponibles	360,433 66
Recettes de banque. Change de monnaies. Recettes diverses	102,282 95

462,716 61

DOMAINE.

Locations de terrains. Produits des essais de culture	89,546 54
Locations de bâtiments	181,099 40
Ventes de terrains	886,077 48

1,056,723 84
(£42,000)

**SERVICE DU TRANSIT, DE LA NAVIGATION ET DU
TÉLÉGRAPHE. (PROFIT FROM TOLLS, &c.)**

Recettes du transit	{ Navires ...	14,838,888 27	15,153,401 96
	{ Passagers ...	685,677 50	
	{ Barques ...	129,386 19	
Pilotage		938,430 75	
Remorquage		878,184 99	
Stationnement		48,957 48	
Trafic ou transport par le matériel de la Compagnie.	{ Voyageurs ...	82,114 21	35,749 08
	{ Messageries ..	3,526 27	
	{ Merchandises ...	108 60	
Location du matériel flottant. Recettes diverses ...		88,126 80	

16,592,800 56
(£663,000)

**SERVICE L'ENTRETIEN DU MATERIEL ET DES
MAGASINS.**

Bénéfices sur travaux pour compte de divers	112,502 28
Location de matériel et Fournitures de lest pour navire	22,929 72

135,432 00

SERVICE DES EAUX.

Fournitures d'eau. Etablissement de prises d'eau. Recettes diverses	77,351 95
---	-----------

Total des recettes de l'exercice 1872	18,825,024 46
(Total receipts)	(£733,600)

Dr.	(CAP. ACCOUNT.)	INVENTAIRE GÉNÉRAL	
DÉPENSES REPRÉSENTANT LE PRIX DE REVIENT DU CANAL MARITIME AU 31 DÉCEMBRE 1872.			
Dépenses constatées à l'Inventaire général au 31 décembre 1871			436,167,185 42
Dépenses d'augmentation et d'amélioration du Canal			
en 1872		126,406 49	
Solde des frais d'émission des Bons trentenaires en 1872...		348,709 74	
Rectification de la valeur de l'actif suivant estimation			
en fin de travaux		750,239 88	
Dépenses sur exercices clos, soldées en 1877		170,349 64	
		1,396,796 73	
A DÉDUIRE.			
Vente de matériel en 1872		360,364 76	
Recettes sur exercices clos, effectuées en 1872		172,482 23	
		532,746 99	863,046 74
ACTIF SUIVANT ESTIMATION.			
Domicile administratif et siège social		928,726 43	437,020,234 16
Hôtel de la Compagnie à Paris .			
Mobilier et matériel des bureaux :			
Paris		88,305 05	
Alexandrie : caisses et résidences		19,772 80	
		1,036,804 27	
Service du Domaine			
Terrains, valeur		MEMOIRE.	
Bâtiments		3,612,106 08	
Mobilier, matériel		10,067 95	
Appointements		26,330 79	
		3,648,404 82	
Service du Transit, de la Navigation et du Télégraphe			
Mobilier et matériel des bureaux		9,110 15	
Matériel et outillage en service		380,357 36	
Approvisionnement divers		13,306 18	
		402,773 69	
Entretien, Matériel et Magasins			
Mobilier et matériel des bureaux		17,465 24	
Matériel et outillage en service		5,943,918 01	
Approvisionnement divers		3,291,385 89	
		9,253,739 14	
Service des eaux			
Mobilier		855 05	
Conduites, réservoirs et appareils, matériel		2,283,636 70	
Approvisionnement		87,333 45	
Bâtiments et abris... ..		133,320 00	
		2,485,345 20	
Frais de premier établissement		3,016,504 68	
		5,501,930 78	19,812,761 70
ACTIF DISPONIBLE OU RÉALISABLE			
Caisse, Banque de France et Sociétés de crédit		2,251,142 63	458,962,936 06
Portefeuille... ..		801,646 30	
Reports		3,627,189 10	
Agences d'Alexandrie		971,173 67	
Débiteurs divers ou divers comptes courants débiteurs		626,563 13	
Mandats à recevoir		64,773 91	
Comptes courants des services d'Egypte		229,618 48	
Porteurs de Bons en retard		650 00	
		8,472,936 11	
ACTIF RÉSERVÉ			
80,000 Bons trentenaires non émis			8,000,000 80
			473,336,921 97
			(218,932,000)

TABLE (L).

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AU 31 DÉCEMBRE 1872.

Cr.

CAPITAL SOCIAL 400,000 actions à 500 francs	200,000,000 00
EMPRUNT DE 1867-1868 ... 333,333 obligations émises à 300 francs; ...	99,999,900 00
EMPRUNT DE 1871 en Bons trentenaires:	
120,000 émis à 100 francs 12,000,000 00	
80,000 réservées à 100 francs 8,000,000 00	
	20,000,000, 00
	319,999,900 00
	(£12,800,000)
CRÉANCIERS DIVERS:	
• Solde restant dû sur les coupons d'actions mis en payement 65,388 50	
Solde restant dû sur les coupons d'obligations mis en payement 459,535 03	
Solde restant dû sur les coupons de Bons trentenaires mis en payement 16,347 50	
Solde restant dû sur obligations appelées au rem- boursement 928,500 00	
Actions vendues pour compte de divers 151,486 30	
Délégations vendues pour compte de divers 49,947 61	
Obligations vendues pour compte de divers 20,531 99	
Effets à payer 143,190 13	
Mandats à payer 293,223 34	
Divers créanciers ou divers comptes courants créanciers 1,360,319 08	
	3,498,518 41
Total du passif	323,488,418 41
PROFITS ET PERTES Résultat en bénéfices de l'exercice	
1872	2,071,379 00
	(Profits on year 1872)
	(£23,800)
Différence en faveur de l'actif reportée pour balance et représentant les produits réalisés pendant la période de construction et de premier établissement	147,776,224 56
(Profits during construction, see Table M.)	
	473,335,921 97
	(£18,933,000)

**RECETTES OU PRODUITS RÉALISÉS PAR LA COMPAGNIE
PENDANT L'EXÉCUTION DU CANAL**

Savoir :					
Recettes antérieures à la constitution de la Compagnie	...	...	...	...	6,504 88
Indemnité payée par le Vice-Roi, conformément à la sentence impériale du 6 juillet 1864	...	...	...	...	84,000,000 00
Prix des cessions faites au Gouvernement égyptien par la Convention du 23 avril 1869	...	...	...	...	(£2,360,000)
et règlement de comptes (Délégations)	30,000,000 00				
	(£1,200,000)				
A déduire :					
La valeur des Magasins de Damiette achetés antérieurement par contrat	...	...	...	255,469 20	
				29,744,530 80	29,744,530 80
Produits de placements temporaires de fonds	...	...	...		20,103,536 13
Produits nets des ventes du Domaine,					
Savoir :					
Cession de l'Ouady	...	...	...	10,000,000 00	
A déduire :					
Le principal de l'Acquisition, le Mobilier, le Matériel et les Constructions du fait de la Compagnie et l'Indemnité de licenciement du Personnel	...	...	...	2,406,648 01	
				Net ...	7,593,351 99
Terrains divers	...	...	...	24,093 51	
					7,617,445 50
Recettes des services :					
de la Construction	...	...	...	...	401 70
du Transit	...	...	...	...	4,461,649 08
					(£184,000)
de Santé	...	...	...	...	137,415 21
de la Poste et du Télégraphe	...	...	...	...	123,707 67
du Domaine	...	...	...	...	941,848 03
					(£360,000)
Recettes diverses, Négociation de Traités, Change de Monnaie	...	...	...	...	639,185 56
					147,776,324 56
					(£5,880,000)

COMPAGNIE UNIVERSELLE DU CANAL
MARITIME DE SUEZ.

COMPTE DE L'EXERCICE 1873.

Inventaire Général au 31 Décembre 1873.

(RECEIPTS AND EXPENSES, 1873.)

COMPTE DE

DÉPENSES.

CHARGES SOCIALES. (INTEREST, SINKING FUND, &c.)			
Intérêts des obligations	8,135,612	30	
Amortissement des obligations	1,924,000	00	
Intérêts des Bons trentenaires	960,000	00	
Amortissement des Bons trentenaires	317,125	00	
Charges annuelles des Obligations et des Bons, Droits de timbre, de transmission	83,887	35	
Contrôle du Gouvernement égyptien	30,000	00	
Charges annuelles des Actions. Droits de timbre et de transmission	215,129	65	
Commissions et frais divers des correspondants	64,341	61	
			11,729,096 11 (£468,000)
DÉPENSES ADMINISTRATIVES.			
FRANCE { Administration générale. Conseil d'Administration. Personnel	557,673	48	
{ Frais divers. Assemblée générale. Publications. Agence de Londres	152,931	73	
ÉGYPTE { Personnel et frais divers de l'Agence supérieure	198,838	99	
{ Service de santé	9,384	46	
			918,828 66 (£36,700)
(Administration, Paris and Egypt)			
DOMAINE.			
Personnel et frais divers	162,926	40	
Surveillance des terrains. Entretien des appointements	17,786	63	
Appropriation des terrains. Création de voies. Plantations nouvelles	36,589	95	
Entretien des bâtiments et des plantations. Essais de culture	123,458	74	
Part revenant au Gouvernement égyptien, d'après les comptes de la C ^e , dans les produits du domaine commun pendant l'année 1873	274,172	10	
			613,933 82
SERVICE DU TRANSIT, DE LA NAVIGATION ET DU TÉLÉGRAPHE.			
Personnel classé et Personnel auxiliaire	525,569	37	
Frais divers	58,149	57	
Dépenses d'exploitation. Personnel de traction. Salaires d'équipages. Houille. Matières et outillage. Entretien et réparations du matériel. Balisage	950,735	04	
			1,534,453 98
SERVICE DE L'ENTERTIEN, DU MATÉRIEL ET DES MAGASINS.			
Personnel et frais divers	523,900	79	
Entretien et réparation du matériel et Exploitation des dépôts de matériel	280,160	30	
Entretien du Canal et de ses accessoires	1,280,115	05	
Fonds de renouvellement de matériel	250,000	00	
			2,314,176 14
SERVICE DES EAUX.			
Personnel et Déplacements	103,995	06	
Charbon. Matières. Entretien et grosses réparations	116,544	85	
			220,539 91
Dépenses de l'exercice 1873			17,331,028 62 (£693,000)
(Working expenses, 1873)			
Dépenses sur l'exercice clos 1862			15,079 80
Total des Dépenses			17,346,108 42 (Total expenses) (£694,000)

TABLE (N).

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L'EXERCICE 1873.

RECETTES.

SERVICE FINANCIER.

Produits des placements temporaires des fonds disponibles	400,103 64	
Recettes de banque. Change de monnaies. Recettes diverses	50,575 20	450,678 84

DOMAINE. (LAND RENTS AND SALES.)

Locations de terrains. Produits des essais de culture	99,508, 14	
Locations de bâtiments	111,165 41	
Ventes de terrains	765,647 18	976,320 73 (£39,000)

SERVICE DU TRANSIT, DE LA NAVIGATION ET DU TÉLÉGRAPHE. (CANAL DUES.)

Recettes du transit { Navires ... 20,825,854 00		
{ Passagers . 727,768 75		
{ Barques ... 126,237 82	21,679,860 57	
Pilotage	1,086,599 25	
Remorquage	293,138 56	
Stationnement	72,712 51	
Trafic ou transport { Voyageurs ... 32,705 67		
par le matériel de { Messageries... 3,413 04	36,118 71	
de la Compagnie		
Location du matériel flottant et Recettes diverses...	31,562 11	23,109,991 71 (£927,000)

SERVICE DE L'ENTRETIEN DU MATÉRIEL ET DES MAGASINS.

Bénéfices sur travaux pour compte de divers, et sur vente de matériel et de matières	108,776 45	
Location de matériel et Fournitures de lest pour navires	13,679 28	117,455 73

SERVICE DES EAUX.

Fournitures d'eau. Établissement de prises d'eau. Recettes diverses		80,285, 49
--	--	------------

Recettes de l'exercice 1873	24,821,732 50 (£993,000)
Recettes sur exercice clos 1872	6,393 50

Total des recettes	24,831,126 00 (£993,000)
A déduire les dépenses	17,346,108 42 (£694,000)

Recette nette de 1873	7,485,017 58 (£44,000)
Report du solde disponible au 31 décembre 1872...	2,071,279 00

Total	9,556,296 58 (£382,000)
A déduire: Coupon de juillet 1870 distribué au capital social en avril 1873. (Loss back coupons, 1870)	5,000,000 00

Solde en excédant à reporter sur 1874	4,556,296 58 (£182,000)
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Dr.		INVENTAIRE GÉNÉRAL	
DÉPENSES REPRÉSENTANT LE PRIX DE REVIENT DU CANAL MARITIME AU 31 DÉCEMBRE 1873.			
Dépenses constatées à l'Inventaire général au 31 décembre 1873		...	437,030,234 16
Dépenses d'augmentation et d'amélioration du Canal en 1873		779,646 37	
Dépenses sur les Exercices clos antérieurs à 1873		10,767 31	
			790,403 68
A DÉDUIRE.		Total	437,810,637 74
Recettes sur les Exercices clos antérieurs à 1873		...	884,046 76
ACTIF SUIVANT ESTIMATION.			
Domicile administratif et siège social	Hôtel de la Compagnie à Paris	928,726 41	
	Mobilier et matériel des bureaux:		
	Paris	80,846 35	
	Alexandrie: caisses et résidences	20,416 60	1,030,989 37
Service du Domaine	Terrains, valeur	...	MEMOIRE
	Bâtimens...	...	3,471,809 38
	Mobilier, matériel	...	12,006 60
	Appontements	...	31,376 15
			3,715,261 03
Service du Transit, de la Navigation et du Télégraphe	Mobilier et matériel des bureaux	11,731 55	
	Matériel et outillage en service	480,153 31	
	Approvisionnements divers	13,016 19	494,890 05
Entretien, Matériel et Magasins	Mobilier et matériel des bureaux	24,151 91	
	Matériel et outillage en service	6,663,317 90	
	Approvisionnements divers	4,310,673 89	10,798,143 70
Service des eaux	Mobilier	...	749 90
	Conduites, réservoirs et appa- reils, matériel...	...	3,333,146 60
	Approvisionnements	...	66,378 77
	Bâtimens et abris	...	128,400 00
		3,438,676 37	
Frais de premier établissement...	3,016,594 58	5,445,169 85	31,473,473 90
ACTIF DISPONIBLE OU RÉALISABLE.			
Caisse, Banque de France et Sociétés de crédit	...	3,280,769 66	
Portefeuille	...	571,639 37	
Reports	...	1,003,864 30	
Agence d'Alexandrie	...	4,163,146 67	
Débiteurs divers ou divers comptes courants débiteurs	...	668,044 60	
Mandats à recevoir	...	149,066 37	
Comptes courants des services d'Égypte	...	8,490 37	
Porteurs de Bons en retard	...	50 00	
			9,843,349 04
ACTIF RÉSERVÉ.			
80,000 Bons trentennaires non émis, dont: 79,363 en portefeuille	...	7,926,300 00	
737 amortis au tirage du 1er août 1873	...	73,700 00	8,000,000 00
			476,343,313 93

TABLE (O).

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AU 31 DÉCEMBRE 1878.

Cr.

CAPITAL SOCIAL 400,000 actions à 500 francs	200,000,000 00
EMPRUNT DE 1867-1868 ... 333,333 obligations émises à 300 francs ...	99,999,900 00
EMPRUNT DE 1871 en Bons trentenaires :	
120,000 émis à 100 francs 12,000,000 00	
80,000 réserves à 100 francs 8,000,000 00	
	20,000,000 00
CRÉANCIERS DIVERS :	319,999,900 00
Solde restant dû sur les coupons d'actions mis en payement 147,583 25	
Solde restant dû sur les coupons d'obligations mis en payement 339,355 69	
Solde restant dû sur les coupons de Bons trentenaires mis en payement 13,156 81	
Solde restant dû sur les coupons de délégations ... 24,719 80	
Solde restant dû sur obligations appelées au remboursement 602,000 00	
Solde restant dû sur les bons appelés au remboursement 27,875 00	
Solde restant dû sur les délégations appelées au remboursement 135,000 00	
Actions vendues pour compte de divers 126,290 73	
Délégations vendues pour compte de divers 36,762 14	
Obligations vendues pour compte de divers 19,475 61	
Effets à payer 89,999 26	
Mandats à payer 433,740 00	
Divers créanciers ou divers comptes courants créanciers 1,510,334 80	
	3,587,193 78
COMPTES D'ORDRE :	
Contre-valeur des 737 bons de l'actif réservé, amortis par le tirage du 1er août 1873 73,700 00	
Fonds de renouvellement de matériel 280,000 00	
	353,700 00
Total du passif	333,910,793 78
PROFITS ET PERTES ... Solde des bénéfices à reporter sur l'exercice 1874	4,556,396 58
Différence en faveur de l'actif reportée pour balance et représentant les produits réalisés pendant la période de construction et de premier établissement	147,776,334 57
	476,343,313 93

**RECETTES OU PRODUITS RÉALISÉS PAR LA COMPAGNIE
PENDANT L'EXÉCUTION DU CANAL**

Savoir :

Recettes antérieures à la constitution de la Compagnie ...	6,504 88
Indemnité payée par le Vice-Roi, conformément à la sentence impériale du 6 juillet 1864	84,000,000 00
Prix des cessions faites au Gouvernement égyptien par la Convention du 23 avril 1869 et règlement de comptes (Délégations)	80,000,000 00

A déduire :

La valeur des Magasins de Damiette achetés antérieurement par contrat ...	255,469 20	
	<u>29,744,530 80</u>	29,744,530 80

Produits de placements temporaires de fonds	20,103,536 18
Produits nets des vents du Domaine,	

Savoir :

Cession de l'Ouady	10,000,000 00
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A déduire :

Le principal de l'Acquisition, le Mobilier, le Matériel et les Constructions du fait de la Compagnie et l'Indemnité de licenciement du Personnel	2,406,648 01
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NET	7,593,351 99
Terrains divers	24,098 51

7,617,445 50

Recettes des services :

de la Construction	401 70
du Transit	4,461,649 08
de Santé	137,415 21
de la Poste et du Télégraphe	123,707 67
du Domaine	941,848 08
Recettes diverses, Négociation de Traités, Change de Monnaie	639,185 59

147,776,224 56

COMPAGNIE UNIVERSELLE DU CANAL
MARITIME DE SUEZ.

COMPTE DE L'EXERCICE 1874.

Inventaire Général au 31 Décembre 1874.

(RECEIPTS AND EXPENSES, 1874.)

COMPTE DE

DÉPENSES.			
CHARGES SOCIALES.			
Intérêts des obligations	(Interest on obligations, 1867)	8,086,800 00	
Amortissement des obligations	(Drawings)	(£323,000)	
Intérêts des Bons trentenaires... ..	(Interest on 30 years' Bonds)	1,874,000 00	
Amortissement des Bons trentenaires	(Drawings on do.)	(£20,000)	
Charges annuelles des Obligations et des Bons, Droits de timbre, de transmission		945,600 00	
Contrôle du Gouvernement égyptien... ..		(£36,000)	
Charges annuelles des Actions, Droits de timbre et de transmission		337,500 00	
Commissions et frais divers des correspondants		(£13,000)	
Consolidation de Coupons d'intérêts arriérés {	Frais matériels d'émission ... 50,039 02		
	Remboursement aux divers exercices des avances faites par eux 766,625 15		
	(Capitalization of Coupons)	816,664 17	
		(£23,000)	
DÉPENSES ADMINISTRATIVES.			12,375,193 16
FRANCE {	Administration générale. Conseil d'Administration. Personnel	561,743 45	
	Frais divers. Assemblée générale. Publications. Agence de Londres	134,581 04	
EGYPTE {	Personnel et frais divers de l'Agence supérieure	238,744 29	
	Service de santé	8,266 00	943,334 78
SERVICE DU DOMAINE.			
Personnel et frais divers		168,100 08	
Surveillance des terrains. Entretien des appointements		17,374 39	
Appropriation des terrains. Création de voies. Plantation nouvelles		102,362 53	
Entretien des bâtiments et des plantations. Essais de culture... ..		172,373 06	460,140 06
SERVICE DU TRANSIT ET DE LA NAVIGATION.			
Personnel classé et Personnel auxiliaire		798,719 89	
Frais divers		183,254 63	
Dépenses d'exploitation. Personnel de traction. Salaires d'équipages. Houille. Matières et outillage. Entretien et réparations du matériel. Balisage		525,839 16	1,506,813 68
SERVICE DE L'ENTRETIEN.			
Personnel et frais divers... ..		598,774 80	
Entretien et réparation du matériel et Exploitation des dépôts de matériel		304,376 71	
Entretien du Canal et de ses accessoires		1,798,833 19	
Fonds de renouvellement de matériel		250,000 00	3,043,984 70
SERVICE DES EAUX.			
Personnel et Déplacements		104,186 23	
Charbon, Matières. Entretien et grosses réparations		135,818 48	240,004 70
Dépenses de l'exercice 1874			18,568,470 85
Dépenses sur les exercices clos 1873 et 1873			95,067 01
Total des Dépenses	(Total Expenses)		18,667,567 86
			(£746,000)

L'EXERCICE 1874.

RECETTES.		
SERVICE FINANCIER.		
Produits des placements temporaires des fonds disponibles	471,862 66	
Recettes de banque. Change de monnaies. Recettes diverses	5,919 02	477,881 68
SERVICE DU DOMAINE.		
Locations de terrains. Produits des essais de culture	75,567 96	
Locations de bâtiments	153,707 64	
Ventes de terrains	269,631 64	
Reprise sur la participation du Gouvernement égyptien pour insuffisance des produits du Domaine commun en 1874	14,067 57	503,975 01
SERVICE DU TRANSIT ET DE LA NAVIGATION.		
Recettes du transit		
Navires	22,654,309 49	
Passagers	741,301 25	
Barques	150,320 73	
	23,545,731 47	
Pilotage	1,267,334 50	
Remorquage	201,854 47	
Stationnement	63,306 47	
Trafic ou transport par le matériel de la Compagnie		
Voyageurs	22,171 35	
Messageries	5,825 64	
	27,996 99	
Location du matériel flottant et Recettes diverses	13,465 62	25,109,289 53 (£1,004,000)
(Total receipts, Canal)		
SERVICE DE L'ENTRETIEN.		
Bénéfices sur travaux pour compte de divers, et sur vente de matériel de matières	185,295 29	
Location de matériel et Fournitures de lest pour navires	17,505 10	202,800 39
SERVICE DES EAUX.		
Fournitures d'Eau. Etablissement de prises d'eau. Recettes diverses		90,768 55
Recettes de l'exercice 1874		26,383,515 15
Recettes sur les exercices clos 1873 et 1873		342,639 56
Total des recettes		26,726,144 71 (£1,069,000)
(Total gross receipts)		
A déduire les dépenses		18,667,567 98
Recette nette de 1874		8,058,576 85 (£330,000)
(Net receipts)		
Report du solde disponible au 31 décembre 1873		4,555,296 58
Total		12,614,873 43 (£500,000)
(Balance)		
A déduire: Intérêts du deuxième semestre 1870—payés au capital social en février 1874	5,000,000 00	
Intérêts du deuxième semestre 1874—à distribuer au capital social en janvier 1875	5,000,000 00	10,000,000 00 (£400,000)
(Two back dividends)		
Solde en excédant à reporter sur 1875		2,614,873 43 (£104,000)
(Balance to carry over)		

Dr. (CAPITAL ACCOUNT, TO DEC. 1874.) INVENTAIRE GÉNÉRAL

DÉPENSES RÉPRESENTANT LE PRIX DE REVIENT DU CANAL
MARITIME AU 31 DÉCEMBRE 1874.

Dépenses constatées à l'Inventaire général au 31 décembre 1873 ...	1,023,244 09	436,936,890 98
Dépenses d'augmentation et d'amélioration du Canal en 1874 ...	18,292 55	
Dépenses sur les Exercices clos antérieurs à 1873 ...	84,000,000 00	
Règlement des intérêts arriérés du 1er janvier 1871 au 30 juin 1874 ...		
TOTAL ...	36,041,536 64	
A déduire:		
Recettes sur les Exercices clos antérieurs à 1873 ...	198,147 51	34,813,368 13
ACTIF SUIVANT ESTIMATION.		471,769,960 11
Domicile administratif { Hôtel de la Compagnie à Paris... 928,726 43		
et siège social { Mobilier et matériel des bureaux: 75,943 51		
Paris... 22,710 06	1,027,379 01	
Alexandrie: caisses et résidences		
Service du Domaine { Terrains, valeur ... Mémoire.		
Bâtiments ... 3,712,825 51		
Mobilier, matériel ... 11,122 06		
Appontements ... 30,614 43	3,764,561 99	
Service du Transit, de la Navigation et du Télégraphe { Mobilier et matériel des bureaux 12,040 35		
Matériel et outillage en service... 362,995 63		
Approvisionnements divers ... 136,028 09	611,061 97	
Entretien, Matériel et Magasins { Mobilier et matériel des bureaux 23,676 59		
Matériel et outillage en service 6,601,698 51		
Approvisionnements divers ... 4,507,781 49	11,133,136 59	
Service des eaux... { Mobilier ... 963 00		
Conduites, réservoirs et appa- reils, matériel ... 2,162,186 50		
Approvisionnements ... 61,021 13		
Bâtiments et abris ... 129,960 00		
Frais de premier établissement 2,362,820 62		
3,016,584 68	5,309,416 20	21,796,544 78
ACTIF DISPONIBLE OU RÉALISABLE.		
Caisse, Banque de France et Sociétés de crédit ...	1,727,315 08	493,546,524 07
Portefeuille ...	1,562,612 77	
Reports ...	1,683,870 45	
Agence d'Alexandrie ...	5,196,234 68	
Débiteurs divers ou divers comptes courants débiteurs ...	1,452,103 09	
Mandats à recevoir ...	8,963 28	
Bons d'intérêts arriérés { Non réclamés par les ayants droit ...	10,596,440 00	11,633,089 36
d'Actions... { Part affectée au fonds spécial d'amortisse- ment des délégations ...	4,961,150 00	16,457,580 00
ACTIF RÉSERVÉ.		
80,000 Bons trentennaires non émis, dont: 78,463 en portefeuille	7,946,300 00	
1,537 amortis par les deux premiers tirages... 163,700 00		8,000,000 00
		529,546,204 22

TABLE (R).

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AU 31 DÉCEMBRE 1874.

Cr.

CAPITAL SOCIAL	400,000 actions à 500 francs	200,000,000 00
CONSOLIDATION d'intérêts ar- riérées d'actions... ..	400,000 bons à 85 francs	34,000,000 00
EMPRUNT DE 1867-1868	333,333 obligations émises à 300 francs	99,999,900 00
EMPRUNT DE 1871 en Bons tren- tenaires	120,000 6mis à 100 francs... 12,000,000 00 80,000 réservés à 100 francs 8,000,000 00	20,000,000 00
CHARGES DIVERSES :		
Solde restant dû sur les coupons d'actions mis en payement	2,595,612 74	353,999,900 00
Solde restant dû sur les coupons d'obligations mis en payement	399,447 74	
Solde restant dû sur les coupons de Bons trentenaires mis en payement	14,964 46	
Solde restant dû sur les coupons de délégations	1,282,062 03	
Solde restant dû sur obligations appelées au rembourse- ment	668,000 00	
Solde restant dû sur les bons appelés au remboursement... ..	43,750 00	
Solde restant dû sur les délégations appelées au rem- boursement	761,500 00	
Actions vendues pour compte de divers	100,061 23	
Délégations vendues pour compte de divers	26,593 04	
Obligations vendues pour compte de divers	18,873 07	
Bons vendues pour compte de divers.	208 16	
Effets à payer	217,064 85	
Mandats à payer... ..	384,876 73	
Divers créanciers ou divers comptes courants créanciers..	1,501,982 20	8,012,916 23
COMPTES D'ORDRE :		
Contre-valeur des 1537 bons de l'actif réservé, amortis par le deux premiers tirages	153,700 00	
Fonds de renouvellement de matériel	500,000 00	653,700 00
Total du passif		362,696,516 23
Solde des coupons consolidés non présentés à l'échange... ..	10,596,440 00	
Fonds spécial d'amortissement des délégations	4,961,160 00	15,457,590 00
PROFITS ET PERTES :		
Solde en excédant à reporter sur l'exercice 1875		2,614,873 43
Différence en faveur de l'actif reportée pour balance et représentant les produits réalisés pendant la période de construction et de premier établissement		147,907,224 56
		532,546,304 23

**RECETTES OU PRODUITS RÉALISÉS PAR LA COMPAGNIE
PENDANT L'EXÉCUTION DU CANAL.**

Savoir :					
Recettes antérieures à la constitution de la Compagnie	...	...	...	...	6,504 88
Indemnité payée par le Vice-Roi, conformément à la sentence impériale du 6 juillet 1864	...	...	...	...	84,000,000 00
Prix des cessions faites au Gouvernement égyptien par la Convention du 23 avril 1869 et règlement de comptes (Délégations)	...	...	...	...	30,000,000 00
A déduire :					
La valeur des Magazins de Damiette achetés antérieurement par contrat	...	...	...	...	255,469 20
					<u>29,744,530 80</u>
					29,744,530 80
Produits de placements temporaires de fonds	...	...	...	...	20,103,526 13
Produits nets des ventes du Domaine,					
Savoir :					
Cession de l'Ouady	...	...	...	...	10,000,000 00
A déduire :					
Le principal de l'Acquisition, le Mobilier, le Matériel et les Constructions du fait de la Compagnie et l'Indemnité de licenciement du Personnel	...	...	...	...	2,406,648 01
					<u>Net ... 7,593,351 99</u>
Terrains divers	...	...	...	...	55,093 51
					<u>7,648,445 30</u>
Recettes des services :					
de la Construction	...	...	...	...	401 70
du Transit...	...	...	...	...	4,461,649 08
de Santé	...	...	...	...	137,415 21
de la Poste et du Télégraphe	...	...	...	...	123,707 67
du Domaine	...	...	...	...	941,848 03
Recettes diverses, Négociation de Traités, Change de Monnaie	...	...	...	...	639,185 56
					<u>147,807,224 56</u>

. The next Balance Sheet will not be published until July, 1876.

THE TONNAGE QUESTION.

VOL. II.

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CHAPTER XVII.

THE TONNAGE QUESTION.

AS we have seen that the enormous advantages offered by the Canal were soon appreciated, and that the Company found themselves in possession of a monopoly never to be threatened with rivalry, it was not unnatural that, like other monopolists, they should seek to turn their position to profit; especially as for more than three years from the opening no profits were earned, and the proprietors were carrying on their business for the benefit of the public without remuneration. This seemed a hard state of things; and no one could have objected to any increase in the rates charged, which would yield a reasonable profit to those who had struggled so long and so successfully to complete their undertaking. It is to the credit of the English Government that in the dispute which followed, it took this liberal view, and from the first maintained that, even though bound by the terms of its conces-

sion, the Company was entitled to such a fair revision of their tolls as would make the business remunerative. M. de Lesseps and his Company, however, were too grasping, and after an unpleasant contest attended with mortification to one side were defeated and compelled to revert to their old position and old charges. The contest was not undramatic, and maintained with spirit on all sides.

The point in dispute was of the simplest kind. In the concession it was laid down that the maximum charge was to be ten francs per ton "of capacity :"

"De ne pas excéder, pour le droit spécial de navigation, le chiffre maximum de 10 fr. par tonneau de capacité des navires." So ran the words.

This description "tonneau de capacité," though apparently not without ambiguity, was made certain enough for all practical purposes by the general custom of the great Maritime Powers. The question of ascertaining by measurement the amount of goods a vessel could carry, in other words its size, had always been an intricate one ; for though a rule of measurement had been laid down, the ingenuity of shipowners and shipbuilders was set to work to contrive additional accommodation which should yet fall without the rule of measurement. This

will be better understood by what was attempted in the case of the telegraphs, when what might be called the duty was paid on each separate word ; but by a code of arbitrary signs, a single word of six letters was made to do duty for six words. In the same fashion a vessel registered at, and paying duty on, 100 tons, might really carry double that amount of goods. Again, there was the space for sleeping cabins, and, in the case of steamers, of the engine-rooms and machinery, &c., which should be deducted, as no cargo could be carried in such compartments. The practice of England, as being the largest shipowning nation, was naturally followed, and before long an agreement was made between France, the United States, Austria, Italy, Holland, Denmark and Germany, who were the leading Maritime Powers, to adopt the English mode of estimating the size of the ship, as being the one that most nearly reached the true capacity of the ship. This was known as the Moorsom system. It had been adopted by the Shipping Act of 1854, and was of the simplest kind. The gross tonnage, that is the capacity of the ship cleared from end to end, was ascertained ; half this amount was taken off in the case of a sailing ship to allow for

cabins, ballast, &c. ; and in the case of a steamer, about one-fourth was deducted for the engine-room, &c. The balance, which was 37 per cent. of the whole, was inscribed on the ship's papers as her "*net tonnage*," and on this the toll was paid. The French method, as might be expected, was more scientific and based on a regular calculation, the dimensions being multiplied and divided after a formula. The English mode, however rough, has the advantage of simplicity.

The Moorsom method having been adopted by all the great Maritime Powers before the opening of the Canal, it might be fairly assumed that the regulations of the Company had reference to what was the universal practice.

Accordingly, on October 16th, 1868, we find M. de Lesseps addressing a commission of scientific and nautical men whom he had called together with a view of defining what this "*ton of capacity*" mentioned in their articles was, and how the duty was to be levied. "All vessels," he said, "carry their papers, on which the official tonnage is marked. The scale (*jaugeage*) adopted in each country for settling the mode in which dues are to be levied is therefore very correct in principle ; but the method

of calculating is different in different countries, and the Company therefore loses where there is a mode of calculating which favours particular flags. We would wish, therefore, to try and discover some ton-standard (*type-tonneau*) which could be applied to the ton adopted by the various countries, &c.* The Commission was composed of twenty-three members, of whom M. Dupuy de Lôme, the well-known ironclad designer, was the most distinguished. With this exception, and that of two others, all the members of this body were connected with the Canal. The Messageries were tenants of the Company at Suez; one M. Rumeau, whom we shall meet later on, was consulting engineer of the works. The Commission found that the English official ton would be the best standard. It admits, however, that no very equal application can be made of this standard-ton to the official ton of other nations, it not being possible often to compare the measurement even of vessels bearing the same flag. The question of a uniform system of measurement being now actually submitted to a disinterested commission a solution may shortly be expected.

* "Plaidoirie" de Maître Allou, 1873, p. 36.

The Commission was of opinion, that "while waiting the adoption of a universal rule [of measurement], the Company ought to levy the dues according to the tonnage set out in the ship's papers, without regard to the flag."*

Accordingly, on the eve of the opening of the Canal, the following regulations were drawn up, dated August 17th, 1869 :—

ART. II.

"Les péages sont calculés sur le *tonnage réel* des navires, quant au droit de transit et aux frais de remorquage et de stationnement.

"Ce tonnage est déterminé, *jusqu'à nouvel ordre*, d'après les papiers officiels du bord.

"Le droit de transit d'une mer à l'autre est de dix francs (10 fr.) par *tonne de jauge*, et de dix francs (10 fr.) par *passager*, payables à l'entrée de Port-Said ou de Suez.

"Les frais de remorquage sont fixés à deux francs (2 fr.) par tonne."†

The meaning of these rules was that the dues

* "Plaidoirie," *supra*, p. 37.

† On Feb. 1st, 1870, an explanatory note was added as to the steamers :—"Pour les steamers, la perception se fait d'après le

were to be calculated on "the actual tonnage," which was to be accepted as given in the ship's papers until further notice. Ten francs was to be paid on the measured tonnage. Maître Allou, in his pleading for the Company, makes a point of this "until further notice," as though it were merely provisional; but it was no more than the conventional phrase adopted in such notices. This argument that the Company all through interpreted their "ton of capacity" as the ton of weight which the ship was able to carry, apart from any results to be obtained from register, is quite fallacious. The papers just quoted show that they accepted the existing practice, though they were not disinclined to accept any other mode which would raise their profits.

What the Prince de la Tour d'Auvergne wrote to them in October, 1869, should be borne in mind when we come to a later stage of the discussion. He says that the Emperor is most anxious to have a uniform system of measurement *based on the*

tonnage officiel net (non compris l'espace occupé par les machines)." That is, a declaration that the space for the engines was exempt from the dues.

English method adopted by all the Powers. Maltre Allou declared that "the Company had accepted the tariff provisionally while waiting for this international solution."

The war naturally interrupted this inquiry ; but it is a little surprising to find M. de Lesseps, in December, 1870, declaring that it was "urgent" to modify the base of the rating, and this, though the Minister for Foreign Affairs had begged of them to wait until these inquiries had some result, and a uniform system of measurement had been adopted.

It must be said, however, that there was some excuse for the Company, who were being pressed by certain English owners whose vessels the Moor-som system of measurement did not happen to favour, and who saw vessels whose gross tonnage was 2000 tons rated on net tonnage at perhaps 1200. From lists of steamers for sale in England they gathered some yet more striking discrepancies, while the officers who collected the dues at Port Said would often visit a clipper paying duty on 2000 tons and whose captain informed them that he had more than 3000 tons of goods on board.

The prospect, however, of any arrangement seemed so distant that the Company felt itself obliged to put

it aside and adopt a new course. Its concession allowed it to levy on the ton of capacity. It only remained to define this capacity and take it as a base for the dues.

The shareholders were for pushing their rights to the utmost, without waiting to negotiate. The treaty named "a ton of capacity," let each vessel be measured for its cubic contents in tons and charged accordingly. In Maître Allou's forensic language—

"L'heure était venue, en effet : la mesure des sacrifices était comblé, la Compagnie s'était traînée, dans un dernier effort, dans les dernières convulsions, pour assurer la réalisation suprême de sa grande œuvre ; mais elle tombait épuisée et mourante aux bords du Canal qu'elle venait d'ouvrir, comme le soldat vainqueur qui succombe au terme de sa course, tenant en mains la palme triomphale."

But the most angry passions were roused. The shareholders, inflamed by the non receipt of dividends, and greedy for what the prospects of the Canal promised, accused their president of being a traitor—of "*wishing to sell the Canal to the English,*" &c. He, however, retained his moderation : the point was to interpret the words "ton of capacity," which was to be done by referring it to "the legal

council" of the Company, and also to a second Commission. M. Rumeau, who was again the reporter, and will later once more figure in the discussions, produced a document which as a specimen of coolness is unrivalled. It declared that by the adopted Moorsom system the capacity was understated by nearly fifty per cent.*

A beginning was also to be made in the shape of an actual increase of one franc per ton, in order that "the surplus of one franc may be given as a guarantee to the subscribers to a loan of 20,000,000 fr." For licence to impose this tax he applied on August 8, 1871, to the Viceroy. The latter replied :—

"His Highness hastened to reply to your telegram demanding authority to modify the clause of the Act of Concession which fixes 10 fr. per ton for the Canal passage dues.

"His Highness, while informing you that he saw no objection, so far as concerns his Government, to the modification that you demanded, at the desire expressed and the urgency of the case as stated by

* As this theory will be given in full a little further on, it may be passed by for the present.

you, hastened at the same time to advise the Sublime Porte of your request and of his reply.

“The Sublime Porte, as you are aware, was called upon to authorize and sanction the Acts of Concession to the Company. Nothing, therefore, that may give rise to a modification of these Acts can be definitely done without its authority and sanction.

“The Imperial Government has not yet replied to his Highness’ communication.

“His Highness will immediately inform you of its decision on this point as soon as it arrives.”*

This it will be seen did not touch the question, and was merely done by sufferance. For some reason, however, the extra tax was never imposed.

It was in 1872 that the result of all these consultations, commissions, and discussions was brought to light in the shape of a notice dated March 4, 1872. It ran :—

Art. XII.—1. From the first of July, 1872, the Company will levy their “*droit spécial de navigation*” of 10 fr. a ton upon the real capacity of vessels.

2. The gross tonnage marked in the ships’ papers

* Correspondence on Suez Canal Dues (Blue Book), p. 38.

is to be the base of calculation (according to the English method). . . .

5. All space under cover made use of permanently or temporarily and not counted in the official tonnage shall be measured, and charged by the Company's agents.

6. Government ships to be subject to the same.

The dues to be paid in advance at Port Said, with other minor regulations. But a hint of further demands was found in an N.B. "The Company while adopting as a basis the mode of measurement just described, reserves the right of applying any new and more accurate mode of measurement that may later be discovered."*

It will be observed that this notice was of a most deceptive kind, and that while it affected to take the English "gross tonnage" as "a base," it suppressed all allusion to its extraordinary system of treating the English measurement as a false basis. For a time both France and England did not see the drift of this extra duty. In the latter country the Board of Trade offered its congratulations, saying it was happy to find that the Company had

* For the French text, see the Official Documents.

adopted the resolution, being convinced that the principle was the correct one. The Admiralty wrote to say that the interpretation of the words "tonneau de capacité" as being the gross tonnage subject to the deduction for the engines and bunkers was the true one, and the one adopted by the Danubian Commission.* The French Government also approved, making allusion to the usual deduction of 40 per cent. for engine-room, quite ignorant that the Company had reduced this allowance to 25 per cent. The Company, however, deluded by the prospect of growing receipts, now fancied that it could treat its customers as it pleased; but it was to learn by a disastrous repulse that the philanthropic clause in its concession of being a neutral highway for the advantage of humanity in general, was to be construed strictly.

This grasping spirit was shown in another direction. By the arrangement known as "the capitulations," every dispute in Egypt between strangers was to be tried in the Court of the defendant's nation. A special clause of the firman of 1866 declared that questions

* "Plaidoirie," de Maître Allou, pp. 64-68. That advocate disingenuously quoted those letters as proof of the approbation, by the English Government, of the change.

between foreigners and the Company should be submitted to an Egyptian Court. The Company, as some shipowners now began to refuse to accept the new tariff, appealed to the capitulations, and as defendants claimed to have the case decided by the French Consul. If the clause in the firman were invoked, they declared that by an Egyptian Court was meant the French Consular jurisdiction in Egypt. It was remarkable too that it could now count on energetic support from the Republican Government of France, as represented by M. de Rémusat, to whom De Lesseps had appealed, and who supported his view.

*The French Foreign Secretary desires the jurisdiction of an Egyptian Court over the Canal Company.**

“Versailles, February 23rd, 1872.

“SIR,—You have done me the honour to write to me on the 31st of last month, on the subject of a summons that the Company has recently received, for the first time since its formation, to^o appear before an Egyptian tribunal.

“In presence of the customs that have prevailed until now as regards the Suez Company, I have invited

* Correspondence, “Canal Dues,” 1874, p. 3.

our Consul-General to inform the Khedive, should the case come forward, that it cannot be admitted that a change be introduced in the *modus vivendi* regulating judicial disputes affecting the Company.

“Receive, &c.

(Signed) “REMUSAT.”

The Egyptian Minister disposed of this theory in an admirable argument.

*“Reply of Nubar Pasha to De Lesseps on the
Question of Jurisdiction.”*

“Cairo, May 16th, 1872.

“MR. PRESIDENT,—My colleague of the Interior, Sherif Pasha, has forwarded to me the letter written by you to him from Ismailia, the 12th May; together with its two annexes—viz., your letter of the 31st of January to Count de Rémusat, and his reply.

“The question is one of competence between the seventeen tribunals which, according to custom, have a jurisdiction more or less extended in Egypt.

“In accordance with this custom, when the Company is plaintiff in an action, it must sue the defendant before the tribunal to which he is amenable:

No doubt can arise on this point, as far as the Company is concerned. Nor is this the point at issue.

“The question reduces itself actually to this. Before which of the two tribunals, Egyptian or Consular, should an action be brought in which the Company appears as defendant ?

“Thus put, the question seems to me, Mr. President, to answer for itself.

“Is the Company Egyptian or French ? Is it not Egyptian ? This point was one of the fundamental conditions of its constitution, and lately you yourself, Mr. President, before certain members of the General Assembly, established this fact as a principle, and proved that it did not even admit of discussion.

“The Company, then, is an Egyptian one. It must, in consequence, follow the lot that treaties and customs have imposed on all Egyptians alike.

“Even the exception made in the Firman of Concession, which allows a special jurisdiction in all that concerns its constitution as a Company, and the relations of shareholders among themselves, confirms what is expressly stated at the conclusion of the paragraph that mentions this exception—namely, that disputes in Egypt between the Company and

individuals of any nationality whatever, shall be tried by the local tribunals, in accordance with the forms sanctioned by the laws and customs of the country, and by treaties.

“I have no need, Mr. President, to acquaint you with the provisions of the treaties. They stipulate that, no matter who the plaintiff or defendant, the right to try actions belongs to the local tribunals.

“Custom, on the contrary, of which you yourself know well the origin, would make the tribunal of the defendant alone competent to judge.

“In the case before us it is an Egyptian Company, the Khedivian, that brings an action in Egypt against another Egyptian Company—the Universal Suez Canal Company. On what grounds then, would the Consular Tribunal of France be competent to try this action ?

“The despatch that Count Rémusat has addressed to us does not discuss the principle of competency ; it simply states, that as the Company when defendant in an action has, up to the present time, been judged before the French Consular Tribunal, M. Brenier de Montmorand should inform the Khedive that it could not be admitted that a change be intro-

duced in the *modus vivendi* which regulates disputes affecting the Company.

“The legal adviser, therefore, does not, nor in fact could he, contest in this despatch either the nationality of the Company, or the significance given by the Egyptian Government to customs and treaties; but he concedes to the Egyptian Company a *modus vivendi* of its own.

“Now, what the legal adviser concedes with regard to a Company might be equally admitted in the case of any other Egyptian subject who had allowed himself to be judged before the French Consular Tribunal.

“The other Consulates not only would believe that they had the right, but that they ought to practise the principle put in force by the French Consulate; and by this means Egyptian subjects, even when defendants, would be declared amenable to foreign tribunals, and would thus be deprived of the last vestige of their nationality, contrary to treaties made with those whose duty it should be to guard those treaties.

“I can well understand that, while waiting for the radical changes that we all desire to see introduced in the administration of justice, the Minister of

Foreign Affairs speaks of preserving the actual *modus vivendi*. But what one understands by a *modus vivendi* is, that mutual situation of two parties which it is desirable to preserve between them. It consists of the relations that their tacit agreement or circumstances have established between them, but between them alone. It is on them alone, therefore, that it is possible to bring to bear the agreement given, or the circumstances which they have undergone. The jurisdiction of the French Consulate may be the *modus vivendi* of the Company, and of the plaintiffs, who have brought it before the commercial tribunal of France. But it is not admissible that this *modus vivendi* should be brought to bear on any other person who has remained till now a stranger to it, and against whom no argument of an unfounded consent can be used.

“When, therefore, the Khedivian Company, as a local subject, demands of the Government and the Egyptian Tribunal that they shall conform to the rules of competency, recognised by all the world, and sanctioned by treaties and customs, it is the duty of the Government to satisfy this demand; and it cannot oblige it to take the action before a foreign tribunal, radically incompetent to try it, simply

because the foreign plaintiffs have agreed to do so, and the tribunal has not officially declared itself incompetent.

“To admit now, with respect to its judicial proceedings, the views taken by the Suez Company, would be to introduce a new custom, which you yourself, Mr. President, who know our situation, can well understand the Government cannot do.

“To wish to force one Egyptian Company to sue another Egyptian Company in a foreign Consulate, would be to demand of the Government to do that which it is not in its power to do.

“His Highness begs of you, Mr. President, to abandon this question, and all the interpretations that you may wish to put upon a text that is both clear and precise, and to conform yourself to the provisions of this text.

“Moreover, Mr. President, the irregular state in which we all are living will soon disappear; the reforms urged by you on your Government, and which at length have obtained the joint approval of all the Powers, will soon be realized; and this present state of tension, so continuous and painful, in which both the native and foreign population are living, as well as the Government and Consulates, will shortly

disappear, and give place to a well-ordered state, to which the Suez Canal Company looks forward equally with all the world.

(Signed) "NUBAR."

But only a few weeks before the new duties were to come into force the Newcastle Chamber of Commerce sounded the alarm, and addressed a complaint to the English Ministry, in which it was pointed out that the increase amounted to fully 55 per cent :* while the great French steamship company, the Messageries Maritimes (who, after being "Nationales" and "Impériales," had at last the good sense to select a title that would be independent of dynastic change) had not been slow to make substantial protests. About one vessel a week belonging to this Company passed through the Canal, and it was calculated that the new tariff would affect them by an

* Correspondence, "Canal Dues," p. 1. The letter is dated June 8th :—"As was before explained, the Government did not seem to have understood, or at least examined, the question, for they later, through the Admiralty and Board of Trade, signified their approval, and even paid some dues on the *Bullfinch*, which had been withheld. The increase of 55 per cent. ought to have shown them that no deduction had been made for engine-room, &c., and that therefore the "gross tonnage scale" had not been adopted.

increase of from twenty to twenty-five thousand pounds a year.* On June 13th they announced that they would try the matter at law, and on the 26th of the same month the suit commenced before the Tribunal of the Seine at Paris. In a masterly judgment, delivered on October 28th, the Court declared that the increase was not authorized, and cast the Suez Company in costs. The part dealing with the capricious definition of a "ton of capacity" was as follows:—The meaning, it said, "was placed beyond doubt: this phrase, or that of 'ton of measurement,' being used indifferently at sea. The duty being named in French money, proved that what was in view was the French system of measurement then in existence—viz., that of 1837, where the legal capacity of vessels was found by a process fixed by the proper authorities, and marked on the vessels and their papers. It urged that De Lesseps himself, when at Birmingham in 1857, had announced that his tariff of 10 fr. would be 'on the *registered* tonnage,' meaning the *net* tonnage, and that he therefore had in his mind a fixed scale on the French system,

* Consul's letter, *supra*, p. 12.

which was all but the same as the English one." Before, however, this decision was given, it transpired that the Porte was induced to view favourably the demands of the Company, a fact which was not without its influence on the English Company : thus recurring to its favourite vacillation.

"The Porte," wrote Sir H. Elliot to Earl Granville on July 7th, "after carefully examining the question of the new mode of levying the Suez Canal dues, informed me confidentially this morning that they were disposed to consider that under the Firman of Concession the Canal Company would be entitled to charge the dues upon the actual gross tonnage of the ships inscribed in the books, making the same allowance for engines and coals as had been fixed by the Danube Commission, amounting, I was told, to 32 per cent. off the gross tonnage of screw-steamers, and to 37 per cent. for paddle-wheel steamers.

"I said that, in the absence of instructions from your Lordship, I did not feel authorized to pronounce any opinion on the general principle, which I had always endeavoured to keep distinct from the question of the right of the Company, on its own

authority, to put a new interpretation on a doubtful phrase of the firman, without reference to the views of the Sultan's Government, by which it was issued.

"No decision will, I believe, be come to by the Porte for a few days; but as the Company appears to have strong arguments for maintaining that it is entitled to levy certain dues upon the carrying tonnage of ships passing through the Canal, and that at present there is a large amount upon which nothing is paid, I should not feel justified in offering any opposition to the proposal of the Porte to sanction the dues being levied on the gross tonnage, with the same deduction for engines and coals as is made in the Danube, unless I receive instructions to that effect from your Lordship."

This drew out a formal declaration of its opinions from the English Government.

"Earl Granville to Sir H. Elliot on the Claims of the Company."

"Foreign Office, August 31st, 1872.

"Your Excellency, in your despatch of the 7th July, stated that the Porte was disposed to consider that, under the Firman of Concession, the Suez

Canal Company would be entitled to charge dues on the actual gross tonnage of the ships inscribed in the books, making the same allowance for engines and coals as had been fixed by the Danube Commission, amounting to 32 per cent. off the gross tonnage of screw steamers, and to 37 per cent. for paddle-wheel steamers.

“The Porte, however, appeared to invite the opinion of her Majesty’s Government before finally assenting to the proposed measure.

“Her Majesty’s Government would probably not have objected to adopt as applicable to the calculation of tonnage on the Suez Canal the principles established on the Danube.

“It is to be observed, however, that the course which the Suez Canal Company propose to adopt is very different from any course which ever has heretofore, or is now, pursued on the Danube.

“The process by which the Suez Canal Company propose to arrive at the amount of tonnage chargeable with duty, is stated in the published letter of the Company of the 5th July, in the following terms:—

“‘The principle which has guided the Adminis-

trative Council in the adoption of the new measure consisted in subjecting each ship to a duty of 10 francs as often repeated as the ship is capable of carrying tons of goods—viz., in basing the levying conformable with the Act of Concession on the capacity of the ships. The Council, moreover, has found out that it was necessary to increase, by 30 per cent. on an average, the tonnage inserted in the official British paper, in order to arrive as closely as possible at the exact capacity of the ships. Afterwards, it has admitted that from this total tonnage an allowance of 25 per cent. should be conceded for the space occupied by the engine, &c. Now if we increase by 30 per cent. on an average the tonnage inserted in the official British papers, or gross tonnage, in order to obtain the total capacity of the ship, and if afterwards we deduct the 25 per cent. from the sum obtained, in order to allow for the space occupied by the engine, we arrive exactly at the figure expressed by the gross tonnage. It is, therefore, for the purpose of simplification that the Company has adopted the gross tonnage, after having found out that the number of tons expressed by the gross tonnage indicated as exactly as possible,

and, as a rule, the capacity to be utilized in the ships.*

“The terms of the Concession applicable to the matter in hand, while giving the Company authority to levy dues, restrict it as follows :—

“‘De ne pas excéder, pour le droit spécial de navigation, le chiffre maximum des 10 fr. par tonneau de capacité des navires et par tête de passager.’

“It seems, according to the above statement, that the Company accept the process by which the British gross tonnage is arrived at as an accurate mode of measurement of the internal capacity in space of a ship; that they take the number of tons given by this measurement; that they then add 30 per cent. to this number and then deduct from it 25 per cent. for engine-room. The ultimate result is to give a number of tons very near to the gross British tonnage—*e.g.*, suppose a ship to measure, by British gross measurement, 100 tons, the Company would add 30, making 130, and would then deduct one-fourth of 130—*viz.*, 32½, leaving the number of tons on which the dues are charged 97½.

* See “State Papers,” vol. v. p. 979, sec. xvii.

“The process of reasoning by which the Company have arrived at this result seems to be as follows:—

“They assume that the word ‘ton,’ as used in their Concession, is a word which is to be construed according to international usage; and they further assume that, according to this usage, it has a certain meaning—viz., that fraction of the internal capacity of a ship which is able to sustain a ton of weight; in other words, that the aggregate tonnage is equal to the number of tons in weight which the whole internal capacity of a ship is able to carry.

“The Company appear further to allege that in order to bring the gross British tonnage up to this standard it is necessary to add 30 per cent. to it; and, having added this, they then deduct 25 per cent. for engine-room.

“This reasoning seems to her Majesty’s Government to be founded on an entire misapprehension of the meaning of ‘tonnage’ as at present known to the maritime world, and to lead to consequences which would render impracticable that which her Majesty’s Government regards as a most desirable object—viz., the assimilation of the tonnage laws of different countries.

“In England, and, so far as her Majesty’s Go-

vernment are aware, in all maritime countries, the ton, as applied to the measurement of ships, whatever its origin may have been, has long been simply an unit of space.

“All idea of recurring to the capacity for carrying weight as a standard by which to determine it has long been abandoned in practice; and in 1853, when the present British system of measurement was adopted, the possibility of recurring to such a standard had been carefully considered by a specially qualified Commission; and after having been deliberately rejected by them, was also rejected by Parliament. Nor is such a standard adopted by any other nation.

“Under these circumstances, it appears to her Majesty's Government that this standard cannot properly be made use of for determining the meaning of the word ‘tonneau’ in the Suez Canal Concession; and that to attempt to make use of it for such purposes must lead to further difficulties.

“Her Majesty's Government make these observations on the assumption that the constructions they have placed on the acts and statements of the Company is the correct one. But they are led by the following considerations to doubt whether the

Company are not in reality charging still more than 10 francs per gross English ton. At page 9 of M. Monsette's 'Note Complémentaire' the gross tonnage of the *Asiatic* is stated as 2121, whilst the tonnage to be charged is stated as 2160—a difference which, however small, shows that the Company assume a right of exceeding the English gross tonnage. And, again, in the published Report ('Bulletin Décadaire') of the 2nd August, 1872, it is shown that the actual receipts from thirty-four ships which passed the Canal from the 21st to the 31st July exceeded the receipts which the net tonnage would have given by 54 per cent.—an excess which appears to be more than the mere difference between gross and net British tonnage would account for. These facts make it very necessary that full explanations should be given of the course which the Company are really pursuing.

"At the same time her Majesty's Government are aware of the financial difficulties of the Company, and wish to see a liberal and fair interpretation put on the Concession made to them.

"They are also aware of the difficulties and inequalities caused by the deductions for engine-room, &c., in the English net tonnage, and by the

differing systems of different nations. Putting aside the question of amount, and putting aside also the question of the meaning of the Concession, her Majesty's Government would, as at present advised, be disposed to look favourably on the adoption of the gross British tonnage as the best standard of taxation. But they express no final or positive opinion on this point, more especially when it is considered that passenger-ships of high power and troop-ships would, according to that standard, have to pay far more in proportion to other ships than they now do, whilst they have also under the present concession to pay a tax of 10 francs per passenger; or, in other words, they have, unlike other ships, to pay for the cargo they carry as well as for the space it occupies.

“Still less can her Majesty's Government admit that the Company have, under the terms of their Concession, the right to charge 10 francs a ton upon the English gross tonnage without deduction; or that, looking to the financial position of the Company, such a charge would be fair and reasonable.

“Under these circumstances her Majesty's Government desire to know—

“1st. What is the exact charge now made by

the Company, and upon what grounds is it based.

“2nd. What is the meaning of the words ‘tonneau de capacité des navires’ contained in the Concession.

“3rd. By what authority that meaning is to be determined.

“4th. If the meaning is uncertain, what limit of taxation it is just and expedient to adopt, having regard to the maintenance of the Canal, and having regard also to the interests of the shipowners on the one hand, and of the creditors and shareholders on the other.

“5th. What part will the French and other Governments take in the matter.

“On the solution of these questions will depend in a great degree the course to be ultimately taken by her Majesty’s Government in the matter.

“With the information at present before them, it appears very difficult to determine what is the exact maximum which, according to the Concession, the Company are entitled to charge. The phrase ‘capacité des navires’ may, so far as the words go, mean either ‘capacity for carrying weight,’ ‘capacity in bulk or size,’ ‘capacity for carrying freight-earning

cargo : that is, capacity in size, after deducting for engine-room and crew-space.'

"Again, the word 'tonneau' (there being no Egyptian or Turkish tonnage) may mean either the English or the French, or any other national ton, or one of these tons in the case of the ships of one nation, and another in the case of ships of another nation; and if it means the English ton, may mean either the gross ton, or the net or registered ton.

"As regards the standard of measurement and of taxation, her Majesty's Government have already intimated that there is much to be said in favour of adopting English gross tonnage without deductions. But if that were done the case of passenger-ships and of troop-ships would deserve special consideration.

"On the further question—What, supposing such a standard to be adopted, is the maximum rate which the Company ought to be allowed as a matter of justice to exact?—it is impossible for her Majesty's Government to form an opinion without knowing the exact financial position of the Company, their revenue from all sources, their debts and the interest upon them, their current expenditure, the

expenses necessary or desirable for permanent improvements, and their prospects.

“ Under these circumstances her Majesty’s Government can at present take no decisive step, either by objecting to the illegality or injustice of the dues now levied, or by admitting the legality and justice of those dues ; and they reserve their entire freedom of action until such time as they are in possession of full information on the various points above adverted to, and shall have ascertained the view taken of them by the Maritime Powers principally interested in the matter.

“ A further question of great importance has been raised by the recent correspondence—viz., Whether, assuming an action to be brought by a shipowner against the Company for dues alleged to be illegally levied, the jurisdiction to decide this question rests with the French Consul or with the Egyptian Courts. It appears that whilst the Company assert that it rests with the French Consul, the Egyptian Government energetically repudiate this assertion ; and that the French Government have hitherto only so far supported the Company as to express an opinion that matters should be left *in statu quo* on this point. Her Majesty’s Government can entertain no doubt

that the Egyptian Government are in the right and should be supported. If the Company is, for the purpose of jurisdiction, to be treated as French and not as Egyptian, not only will the ultimate decision of all questions as to dues rest in the hands of one European nation to the exclusion of all others, but the Canal will in effect cease to be Egyptian or Turkish, and become French. It is needless to point out the difficulties to which such a state of things would give rise.

“ The conclusions to which, as at present advised, her Majesty's Government have arrived, are as follows :—

“ They cannot admit the right of the Company to place their own construction on the terms of their concession.

“ They cannot admit the assumptions and process by which the Company appear to have arrived at the meaning they place on the word ‘ tonneau.’

“ They are of opinion that the Egyptian Government should be supported in maintaining that the Company is for the purposes of jurisdiction Egyptian, and not French.

“ They are disposed to think that as a general

principle British gross tonnage is the best standard for taxation of this description. But the adoption of such a standard would, in their opinion, make it necessary to consider particular cases, and they cannot without further information express an opinion on the meaning of the concession or on the amount of dues which the Company ought in justice to levy.

“Your Excellency will therefore communicate a copy of this despatch to the Turkish Government, with reference to the statement in your commercial despatch No. 31 of the 7th July, that the Porte were inclined to apply to the Suez Canal the system enforced on the Danube; and you will invite their early attention to the matter, and request at the same time that no sanction may be given to the system now announced by the Company, which should prejudice the question at issue.”

The effect on the Peninsular and Oriental Company, the other great customer of the Canal, and the English troop-ship service, was even more extraordinary. “The dues on these vessels,” wrote the secretary, “under the original tariff would have amounted annually (exclusive of passenger tolls, towage and pilotage) to 80,141*l.*, while by the

present tariff these are raised to 133,536*l.*, also exclusive of passenger tolls."*

On October 30th the Sultan also adopted the view of the Company "to a certain extent," but contested its right to raise its dues on its own authority. It was also proposed to invite a conference of the Powers to settle the question.

About the middle of November arrived our projector, fresh from his defeat by the "Messageries." His old energy and perseverance were present, though scarcely regulated by the old prudence, and it was a natural but rather exceptional spirit that now made him repudiate the authority of French tribunals and accept only that of Turkey. The former had never been favourable to him, and the latter he now learned was. With a diplomatic malice, the English Minister reminded the Vizier that only a few months before, M. de Lesseps had insisted that his Company should be subject to the authority of the French Consular Court in Egypt. "His Excellency, thanked me," wrote the Englishman, "for having made known to him the circumstance, with which he was not previously acquainted."

* Letter to Mr. Farrer, "Cor. Suez Dues," p. 16.

Our projector pursued his new line of conduct, pressed the Vizier to appeal against the action of the Paris Courts in an Egyptian matter, and acknowledged in writing the right of the Porte to interpret the contract.

“November 9th, 1872.

“Before the judgment was given, I addressed to the President of the Tribunal of Commerce of the Seine, in order to cover my responsibility towards the Ottoman Government, and to put forward the rights of the case, a declaration tending to decline the competency of the Tribunal of Paris. The interpretation of the Act of Concession belonging of right to the Government, the author of such concession, it cannot in any way belong to a foreign tribunal.

“His Highness the Khedive of Egypt, to whom I communicated the document, informed me by a telegram, of which copy is annexed, that his opinion coincided with my declaration of the 20th of September, but that it was necessary that an understanding with Constantinople should be arrived at before putting it into shape.

“I hastened to appeal against the judgment of the Tribunal of the Seine to the Superior Court before

which I am about to present myself to renew my declaration of its incompetency, with a view to obtain a reversion of the previous judgment.

"I have, consequently, to beg of your Excellency to put me in a position to rely on the support of a protest from the Ottoman Government in favour of the declaration of the Suez Canal Company, whose local seat is at Alexandria.

"As to the grounds of dispute raised by the Company of the 'Messageries Maritimes,' the Suez Company will always be ready to give the Sublime Porte all necessary information with respect to the dues which it is pretended to dispute, and will abide by the decision delivered by the Government of the Ottoman Empire.

"I have, &c.

(Signed) "F. DE LESSEPS."

The Turkish Ministry, finding itself *de son droit* master of the situation, now issued an explanatory note to the Ambassador at Paris, couched in severe terms, and declaring its rights in the matter.

"Sublime Porte, December 25th, 1872.

"The attention of the Imperial Government has been called to certain recent publications made by

the Suez Canal Company, some of which treat of the change made in levying the Canal dues, and lead to the supposition that the Porte has sanctioned this change, while others deal with the question of jurisdiction to which the Company is amenable.

“As regards the former, I will confine myself to stating that if the new method of levying the tolls had received the sovereign approval, an Imperial Firman would have notified it to the public. The truth is, that the Imperial Government has reserved to itself to come to an understanding with the other Powers on an unity of tonnage to be adopted, and also to study the question of the dues with a view to arrive at fixing a tax that will, as far as possible, give satisfaction both to the requirements of maritime commerce and to the wants of the Canal Company.

“Further, your Excellency will find annexed hereto copy of a letter in which M. de Lesseps engages, in the name of the Company, to abide by the decision that shall hereafter be arrived at on this point by the Imperial Government.

“The Imperial Government is equally bound to correct the errors contained in M. de Lesseps' letter

of, the 3rd instant to Count de Rémusat on the question of jurisdiction.

“The despatch addressed by me to your Excellency under date of 15th November, and also the letter in which I communicated a copy of the same to M. de Lesseps, are so explicit as to leave no room for doubt as to the view taken by the Imperial Government with reference to the jurisdiction to which the Canal Company is amenable.

“The following, moreover, are the terms of Article 16 of the Firman in which his Imperial Majesty the Sultan has sanctioned the concession grants to the Suez Canal Company :—

“‘The Universal Suez Maritime Canal Company, being Egyptian, is governed by the laws and customs of the country. Nevertheless, in so far as concerns its constitution as a Company, and the relations of the shareholders among themselves, it is by a special Convention to be governed by the laws that regulate joint-stock companies in France. It is agreed that all disputes under this heading shall be tried in France by arbitration, with right of final appeal to the Imperial Court of Appeal at Paris, as umpire. Disputes in Egypt between the Company and individuals of any nationality whatever shall be

tried by the local tribunals in accordance with the forms sanctioned by the laws and customs of the country and by treaties. Disputes arising between the Egyptian Government and the Company shall also be tried before the local tribunals, and decided according to the laws of the country.'

"It is in placing itself at the same point of view as this Article that the Imperial Government, on becoming acquainted with the judgment pronounced by the Tribunal of the Seine in the action brought by the 'Messageries Maritimes' Company, did not hesitate to protest, not only against the competency of this Tribunal to interpret the Act of Concession, as M. de Lesseps pretends, but also because the Canal Company could not submit to such jurisdiction without violating the Firman from which it holds its Concession.

"Your Excellency can easily understand that we cannot allow it to be supposed that we shall permit the Company to withdrawn itself from a jurisdiction to which it is amenable by the first Act of a Concession in virtue of which it exists.

"In consequence the Imperial Government has requested his Highness the Khedive of Egypt to invite the Company to conform itself on all points in

its relations with third parties to the provisions of the Firman of Concession.

"The rights of the Government are too well established to be impugned by the arbitrary interpretations that one finds in M. de Lesseps' last publications, but the doubts that they tend to create as regards the question of jurisdiction might result in exposing the public to false steps and grave inconveniences.

"Be so good, M. l'Ambassador, as to communicate this despatch to his Excellency the Minister for Foreign Affairs, and to leave him copy of the same.

"I have, &c.

(Signed) "KHALIL."

It followed this up with an invitation to the Conference at which all the leading Maritime Powers were to assist. The law, the Sultan and Pasha, and the great shipping nations, being all opposed to him, our projector might conclude that the game had gone against him. But our projector was not to be so easily disposed of. He never forgot that he had been a diplomatist; and his first step was to encounter his opponents with a skilfully drawn up *statement of facts*.

De Lesseps had also to reckon on the active support of his own country, which, rendered sensitive by recent disasters, was determined to maintain this conflict with vigour. De Lesseps seems to have inspired this Egyptian *Politique*, for bearing in mind the important reserve made by him as to the necessity of the Turkish Government defining of its own motion the common "ton of capacity," we shall see that the French Foreign office adopted the same reserve. He knew perfectly well that if this point came under discussion the Maritime Powers would naturally apply their established Moorsom principles ; whereas the Sultan could be made to adopt the more convenient French definition. Accordingly, Count d'Harcourt, the French Ambassador at London, made the following earnest representation :—

*"Memorandum of Count d'Harcourt in favour
of the Canal Company."*

"Since the 1st July, 1872, the Suez Maritime Canal Company has modified the basis on which the dues were levied ; it has increased the amount by deciding that the tonnage of vessels, instead of being accepted according to their official mea-

surement, shall be calculated on their utilizable capacity.

" This decision having given rise to complaints on the part of the navigators of various countries, the question has been submitted to the Ottoman Government, which considers itself alone authorized to interpret the Act of Concession, and to decide, in consequence, if the Company can modify its tariff without violating its statutes.

" According to information received by the French Government from Constantinople, the London Cabinet would declare itself opposed to, and would contest the right, either of the Company or of the Government from which it holds its concession, to change the basis on which the dues are levied.

" The British Government would take its stand on the interests of its navigation, which contributes in so large a proportion to the shipping in the Canal.

" The French Government, on its part, cannot remain indifferent to the situation of the French shareholders, who have in a great measure provided the capital for the undertaking.

“ The balance of expenditure and receipts of the Canal shows a considerable yearly deficit to the prejudice of the Company.

“ If this state of things were to last, the capitalists, who have opened out a new route to navigation, would be simply ruined by an enterprise from which the shipping of every nation has reaped so great advantages.

“ A result of this kind would appear to the French Government to be as contrary to the principles of equity as it would be to the general interests of navigation, which are inseparable from those of the Company itself.

“ It flatters itself, therefore, that the Government of the Queen has no intention of taking any steps at Constantinople of a nature to compromise the very existence of this enterprise.”

To which Lord Granville replied in this business-like fashion :—

“ The French Ambassador,” he wrote to Lord Lyons on February 26th, 1873, “ communicated to me to-day a memorandum, of which I enclose a copy, relating to the Suez Canal dues, adding that he was

ready to develop the matter if it would be agreeable to me.

"I informed his Excellency that the view of her Majesty's Government was this :—It was necessary that everything should be conducted in the matter with due regularity. The Company had raised their tolls without the previous authority which we had held to be necessary. Our countrymen had been advised by us to pay these tolls under protest. There were, therefore, two questions—first, the repayment of tolls in excess of those which could be regularly levied ; secondly, the question of the rate of tolls for the future to be levied after the sanction of the Porte should have been given.

"Her Majesty's Government were anxious to examine the second question in an impartial and judicial spirit. It was not the interest of any party that the Company should be ruined.

"I concluded by saying that I should be glad to come back to the subject on another occasion."

*Earl Granville on the Questions to be submitted
to the Conference (to Sir H. Elliot).*

"March 3rd, 1873.

"Her Majesty's Government have had, under

their consideration your Excellency's despatches relating to the Suez Canal dues, and have caused a careful inquiry to be made by this department and the Board of Trade into the whole subject.

"As I informed you in my despatch of the 31st of August, her Majesty's Government wish to see a liberal and fair interpretation put upon the concession made to the Company, and it is in this spirit that they have given the matter their best attention.

"In your despatch of the 20th ultimo, you state that the instructions given to you in my despatch of the 6th of December, with regard to the proposal of a conference which her Majesty's Government had been informed by you it was the intention of the Turkish Government to make, went further than had been contemplated by that Government, and that you were convinced that the Porte had no intention of inviting foreign Governments to pronounce authoritatively upon the extent of the dues to be levied.

"In my above-mentioned despatch, which was communicated to the Governments of other Maritime Powers, I had stated that her Majesty's Government are prepared to take part in a conference of the

Maritime Powers interested in the question with a view to bringing about an agreement as to the nature and extent of the dues to be levied by the Suez Canal Company under the terms of the Act of Concession, as well as to the basis upon which the tonnage measurement adopted by the Company is to be established.

“ Her Majesty’s Government had not contemplated any discussion in the Conference of the right of the Porte to fix the sum of 10 fr. per ton for the dues under the present Concession, or its right to grant a fresh Concession, but merely to determine what is meant by the expression ‘tonneau de capacité’ in the existing Concession, the result arrived at to apply to the increased dues levied since July last and to any future dues to be levied under the existing Concession.

“ Since that despatch was written the aspect of the question has, however, materially changed.

“ Her Majesty’s Government have now received a formal invitation from the Porte. In this communication the Turkish Government states ‘le désir du Gouvernement Impérial d’assurer un traitement égal à tous les navires, sans distinction de pavillon, qui fréquentent les ports de l’Empire, et les difficultés

surgies par suite de la récente modification apportée dans la perception de la taxe de navigation que paient les bâtiments traversant le Canal de Suez nous donnent la certitude qu'une démarche ayant pour but d'arriver à l'adoption d'un jaugeage uniforme serait accueilli avec faveur par les Etats maritimes . . . le Gouvernement Impérial ne doute pas qu'une Commission de savants et d'hommes expérimentés parviendrait à trouver un mode uniforme de mesurer les navires et à fixer un tonneau-type qui servirait à la fois de base pour les transactions commerciales et pour la perception des droits auxquels est assujettie la navigation.' The Ottoman Government adds a suggestion that the Commission should meet in London or Constantinople.

" Her Majesty's Government are further informed that it is the intention of the Porte to appoint a Commission to be named by itself to inquire into certain questions connected with the change of the dues.

" There are, therefore, three points on which it remains for me to convey to you the views of her Majesty's Government :—

" 1st. The proposal of the Porte for the appoint-

ment of a Commission for the purpose of establishing an uniform standard of tonnage.

“ 2nd. The course which should be pursued as to the change of dues.

“ 3rd. The question of the dues to be levied for the future.

“ Upon the first point I have to state to you that her Majesty's Government presume that it is the desire of the Porte that the Commission should be composed of Commissioners to be named by each of the Maritime Powers. Her Majesty's Government have constantly urged the importance of an uniform standard of tonnage measurement, and many countries have recently adopted the method of measuring gross tonnage in use in Great Britain. They are, therefore, glad to join in such a Commission, and are prepared at once to name Colonel Stokes, late Commissioner for the Navigation of the Danube, as her Majesty's Commissioner. The method of measuring gross tonnage would probably require little discussion, but if the Commission could decide upon the question whether any, and what, deductions should be allowed on account of engine-room or otherwise, and how, if at all, cargo-carrying spaces on deck should be measured, the result would be

most beneficial to the interests of maritime commerce.

“ You will, however, explain to the Porte that the consent of her Majesty’s Government to this Commission is accompanied with the reservation that the conclusions at which the Commission may arrive shall not become operative until they have been referred to all the Powers, and shall have been accepted by them.

“ Her Majesty’s Government consider that, under all the circumstances, it would be better that the Commission should meet in London, where the best information can be procured as to the commercial transactions and navigation dues in respect of which the Porte has proposed its appointment.

“ With regard to the course which should be pursued as to the change of dues, her Majesty’s Government entirely approve the note addressed by you to the Turkish Government on the 17th ultimo, of which a copy is enclosed in your despatch of the 20th January, in which you express the hope that before the wish of the Company for authority to increase the dues is examined, it will be called upon to return to the original charge, and to abandon a

system of which the Turkish Government has demonstrated the illegality.

“ Her Majesty’s Government hold that the exaction of these increased dues is illegal, as has been conclusively shown by the statements made by Halil Pasha to yourself and in his correspondence with Server Pasha, and they look to the Ottoman Government to enforce the authority of the Porte over the Company, and to secure the repayment with interest of the excess dues paid under protest, both by the captains of her Majesty’s ships-of-war and transports and by British subjects generally.

“ As the nature of the questions which the Commission to be appointed by the Porte is to examine has not yet been explained, I can only state to you at present that her Majesty’s Government would expect that the interests of British commerce should be duly represented at the inquiry, and they trust that the Commissioners will be persons whose judgment in such matters will command respect.

“ Her Majesty’s Government cannot, however, suppose that it can be the intention of the Porte that there should be two Commissions sitting concurrently, one to examine the measurement of tonnage for

international adoption, and the other to report upon the system of tonnage measurement to be recognised on the Suez Canal. It appears to them that the duties of the Commission nominated by the Porte could not usefully commence until the Report of the International Commission has been furnished.

“Her Majesty’s Government do not desire to anticipate that Report, but they feel confident that it will absolutely reject the erroneous arguments and illusory calculations upon which the Company have proceeded in making the recent change in the dues. As an illustration of these, I have only to refer to the discrepancy between the calculations in the letter from M. de Lesseps and M. Courotte to Messrs. Morses and Mitchell of the 5th of July last, and those in the letter written by M. de Lesseps to Sir D. Lange on the 9th of December for communication to the Admiralty.

“With regard to the duties to be levied for the future, it seems to her Majesty’s Government that the Turkish Government should in the first place notify distinctly to the Company that the Porte does not recognise or in any way assent to the system of levying the dues practised since July last, and that it will not authorize any change in the dues from the

scale on which they were levied at the opening of the Canal until after due examination and inquiry.

“Her Majesty’s Government do not in the slightest degree impugn the right of the Porte to increase the dues, nor did they make any representations on the subject when authority for a temporary increase for a special purpose of 1 fr. per ton was granted to the Company in 1871. The Company is, as her Majesty’s Government consider, Egyptian, and the rights over it of the Porte are undoubted.

“Her Majesty’s Government, however, feel confident that the Turkish Government cannot but be sensible of the equitable consideration which is due from the Porte to the great maritime interests which are concerned. By the Firman of 1866 the Porte solemnly endorsed the Concession of 1856, made by the then Viceroy of Egypt to the Company, in which the rates of dues to be levied were specified, and on the faith of which numbers of vessels have been constructed in France, England, and elsewhere, for traffic through the Canal, which has thus become one of the highways of the world, the obstruction of which, by the imposition of an excessive toll, would be an injury to commerce which her Majesty’s Government cannot believe the Porte would will-

ingly inflict, and against which every nation would be driven to protest.

“ Her Majesty’s Government accordingly consider that if the Commission to be named by the Porte should be authorized, after the basis of tonnage has been settled in the International Commission, to entertain the question of granting a fresh Firman, enabling the Company to raise the dues, the interests of the shipowners, especially in the case of passenger ships, on which even the present system presses heavily, should be fully considered ; and that the report should be made known before being finally acted on by the Porte, in order to afford an opportunity for her Majesty’s Government and the other Governments interested to furnish such observations upon it as may be proper for the consideration of the Porte.

“ A copy of this despatch will be furnished to her Majesty’s Representatives in the principal maritime countries, for communication to the Governments to which they are accredited.”

The reader will now recollect what De Lesseps had thrown out as to the necessity of the Sultan’s Government first defining a “ ton of capacity.”

It will be seen how his views were adopted by the Sultan's Government.

On January, 1873, a circular was issued by the Turkish Government directed to its Ministers, declaring that there could be no doubt but that science would arrive at a uniform system of measuring vessels and could decide upon a standard ton. The idea of the conference was welcomed. But the English stipulated that the conclusion should be accepted unanimously by all the Powers, while Count de Rémusat made certain reserves.

“ First of all, it seems to me necessary that before assembling the Conference the Ottoman Porte should decide whether the tax levied on vessels in the Suez Canal should be based on the utilizable tonnage, or on the official tonnage only. The dispute which has arisen between shipowners and the Company is founded entirely on the interpretation of the words ‘tonneau de capacité,’ and it really rests with the Government of the Sultan to decide as to the meaning of this expression. Until then not only would the meeting of the proposed Conference be without an object, but its mission even could not be defined, for it must necessarily vary

according as the question shall be decided either in one sense or the other.

“Should the Government of the Sultan declare that according to the sense in which it understands the terms of the Firman, the Suez Company does not exceed the limits of its tariff in taking as a basis of taxation the utilizable tonnage of a vessel, it will be necessary, unless it is thought better to decide these points by correspondence, to determine by an International Commission, first, the difference existing between the utilizable capacity of vessels and the tonnage as stated on their papers ; and secondly, the system to be adopted by the Company for calculating this difference.

“If, on the other hand, the Porte interprets the Firman in the sense of official tonnage, the assembling of this Commission, in my opinion, can have but one end in view—viz., to prepare the basis of an Act, agreed to by all the Maritime Powers, for an increase of the tariff, that the Turkish Government must then, of pressing necessity, authorize, in order that the Suez Company may meet its engagements, and continue to carry on the business of the Canal under conditions fairly remunerative.

“I will add, M. l'Ambassadeur, that if the pro-

posed Conference were to be charged with the work, as difficult as it is important, of establishing an unity of tonnage measurement, the French Government would lend it every assistance in its power. But in this case it would seem to me impossible to make the settlement of the special Suez Canal question dependent on the chance of an universal agreement between the Powers, not only on the adoption of the system that would give the truest results, but also on the question of lessening the maritime dues which will be the necessary consequence of the increase of the official tonnage."

With what logic and animation our projector could press his case will be seen from a conversation where he confronted the Turkish Vizier and dealt with him as though he were a power of equal importance. This took place on the 12th May at Pera, and De Lesseps, after having drawn up a *procès-verbal* of the interview, which was despatched to the different embassies, haughtily declared that the Dragoman who had been present would vouch for the accuracy of the report.

"*De Lesseps*. I see that you are embarrassed to summon me before the Tonnage Commission,

because this Commission, demanded by me to examine, by the hearing of all parties, the claims against the Canal tax, and prepare an interpretation of Article 17 of the Concession, is not in possession of any private complaint.

“ *The Grand Vizier*. Indeed we have not received any claim of private persons.

“ *De Lesseps*. Since there are no plaintiffs (ship-owner, merchant, or Maritime Company), have I to reply to claims proceeding from the English Government, or from any other Government ?

“ *The Grand Vizier*. We have not to make a decision according to an intervention of the English Government; we have not to take account of Government claims in this question.

“ *De Lesseps*. Then there is no further examination to make, as I have no kind of complaint to confute.

“ *Grand Vizier*. But you cannot prevent the Government from examining if, in the application of your tax, you are right or wrong in acting as you have done.

“ *De Lesseps*. The Company has a contract for the execution of which 40,000 Frenchmen have spent 500,000,000 fr. I can, and I ought to prevent the

contracting Government from changing its Firman of Concession, and from distorting the contract which has bound the two parties equally. The Ottoman Government, regularly informed, according to the prescriptions of the Firman of Concession and of the Statutes, has for a year, by a tacit consent, authorized the Suez Company to put in execution the decision of the Council of Administration of the 4th of March, 1872; a judgment of an enlightened tribunal has established undeniably the rights of the French shareholders. I have only recognised the right of the Sultan to interpret the 17th Article of the contract, if there is dispute. We do not require interpretation.

"We do not solicit a second Firman, as the British Embassy has done in a note to the Porte, the résumé of which has been published by an English journal.

"In what concerns the Ottoman Government, the question is already an accomplished and accepted fact; if no claimant presents himself, I have nothing else to do than go to Egypt, where I have been long expected for business of the Canal.

"*Grand Vizier.* If, however, one wished to do

something for your advantage, would you refuse it?

“*De Lesseps*. Certainly, for this advantage being arbitrarily given could be withdrawn in the same manner: if it were a question, as I suppose, of an augmentation of tariffs, I would reject it, as I have already done some months since. It would, therefore, be dangerous for the Porte to propose it to the Sultan as a means of conciliation, and in our interest, for the Company not wishing for it, and declaring beforehand that it would be injurious to it, his Majesty would be placed in a false position, which would probably rebound on his Ministry.

“*Grand Vizier*. The Commission will examine all that.

“*De Lesseps*. After all that your Highness has just said, and after my preceding observations, I protest against the proceedings of a Commission which does not summon me, and which I had myself asked for, under certain conditions, by a letter to the Minister of Foreign Affairs, dated 30th April, 1873, in consequence of the refusal of the English Ambassador to submit the affair to the examination of the Council of State.

“If necessary, I will protest in writing, not only

against the proceedings of the Commission, but against the manner in which it has been formed, and I will deposit this protest at the French Embassy."

A few weeks later our projector was busy urging the same views on the English Envoy, with much persevering ingenuity.

"M. de Lesseps called upon me a few days ago," wrote Sir H. Elliot to Earl Granville on May 1st, "to endeavour to induce me to consent that the question of the right of the Suez Canal Company to levy their dues as they have been doing since last July should be submitted to the Council of State.

"He would not, he said, hold himself bound by a decision which the Porte should arrive at in any other way; that nothing but a '*rapport motivé*,' given after all he had to say had been heard by the Council of State and approved by the Sultan, would satisfy him.

"I replied that, what I had done was to call upon the Porte to declare the meaning which they attached to the terms of the concession they had granted; that I had not attempted to dictate to them the particular mode or the particular persons by whom the question was to be examined. He had himself said

that he would be bound by the decision of the Porte, and it was for the Sultan's Ministers to declare what that decision was.

"I told him that I had not concealed my opinion that nobody could be less calculated than the Council of State to inspire confidence in the examination of such a question as this; but there were able men belonging to it, and I should not object to their being consulted.

"The French Ambassador, who has been supporting M. de Lesseps in his endeavours to get the matter referred to the Council of State, has also asked me why I objected to it. I said my objections were founded on what I had seen of the body, and of its mode of proceeding. It was to a great extent composed of persons for whom it was wished to find some remunerative employment, but who were not considered fit for a more responsible post; not very many of them spoke French, and those who did were men in whom I could not feel as much confidence as in the Council of Ministers, which is the real executive authority of the Empire.

"I subsequently learnt from Safvet Pasha that M. de Lesseps had written to him, stating himself

ready to give up the Council of State, and to refer the question to a Commission composed of thirteen members, whom he named, which was to conduct its proceedings according to forms which he laid down; but this attempt to impose his own Tribunal upon the Porte, and to select the members of it, has produced an effect contrary to his wishes."

On this declaration the Turkish Ministry set out its views.

Vizierial Letter from the Porte to the Khedive.

"17 Djemazi el Oula, 1290 (July 12th, 1873).

"HIGHNESS,—As your Highness is aware, from the opening of the Suez Canal until the 1st July, 1872, the Company levied, under the title of dues for the passage of vessels through the Canal, 10 fr. for every ton registered on the ship's papers, without this levy having been confirmed by the Imperial Government.

"But from the 1st July the Company, equally without a previous authority from the Government, proceeded to levy the same tax according to the new system adopted by it for the admeasurement of vessels. This proceeding did not fail to give rise to

complaints from the Powers. The latter, as well as the Company, addressed themselves to the Imperial Government for an interpretation of the Clause of the Act of Concession, granted the 2 Rebi-el-ewel, 1272, by the Egyptian Administration to the Suez Company, and ratified by the Imperial Firman of the 2 Kilkhade, 1282, stating that the navigation due was not to exceed the maximum of 10 fr. per ton of capacity.

“ In consequence of this, and seeing the necessity of removing the existing complaints by giving an interpretation of this clause, the Council of Ministers has deliberated on this question, and has submitted it to an attentive and searching examination. Now, in qualifying, as above stated, the aforesaid Act of Concession, the Imperial Government in reality only understood the expression ‘tonneau de capacité,’ which occurred in a passage in this Act, in an absolute sense. It has in nowise had in view the tonnage registered on the ship’s papers of this or that Power.

“ In fact, vessels of every flag passing through the Canal ought, by the provisions of the Act of Concession, to be subject to an equal tax.

“ But inasmuch as the several Governments have

not yet adopted an identical tonnage system, it was necessary to make use of the expression 'tonneau de capacité' in general, in such a way that this expression could be applied to the ton, which should hereafter be adopted by all the Governments, as well as by the Imperial Government, for its shipping.

"In this order of ideas it would be natural to adopt the tonnage that would give the nearest approximation to the utilizable capacity. Now since among the official systems actually in use the system of Moorsom is evidently that which most nearly approaches it, the Sublime Porte is of opinion that the 'net tonnage,' as fixed by this system, is the one to be adopted.

"However, in the event of the Powers, or M. de Lesseps, being unwilling to continue to use this system, it would be necessary to assemble an International Commission, for the purpose of determining the utilizable capacity. It is evident that the Imperial Government cannot fix upon a definite method of measurement that has not yet been decided on and adopted by the other Governments.

"Such being the result of the deliberation of the Council of Ministers, and his Majesty, to whom the question has been submitted, having ordered it to be

acted upon accordingly, I now bring this foregoing decision to your Highness' notice, in order that you may consider the measures necessary to be taken in consequence."

The power of our projector is evidenced by this letter. The Porte, it is clear, was being pressed by two countries on the one essential point, the English requiring that the Company should return to the old tariff until the Commissioners had decided; the French backing De Lesseps. It was felt that the decision was not clear, as it was perhaps intended not to be. On this point, and in answer to remonstrances from the English Government, came the following characteristic explanation:—

"Constantinople, August 13th, 1873.

"M. L'AMBASSADEUR,—In my Circular despatch dated 19th July I communicated to your Excellency the Vizierial letter addressed to his Highness the Khedive on the subject of the Suez Canal dues.

"The observations subsequently offered by certain of the Missions at Constantinople oblige me to return to this question.

"If one refers to the terms of the above-mentioned letter one may perceive without difficulty that the

meaning of the clauses of the Act of Concession, as well as the manner in which they are to be carried out in practice by adopting the net tonnage according to the Moorsom system, are there pointed out as clearly as the state of the question permits.

“ The interpretation demanded from the Government, the author of the Concession, ought to aim at putting an end to the doubts to which the text of Article 17 had given rise. This aim is to-day obtained. The Vizierial letter will henceforth clear up the obscurity on the original text of the Concession, and it remains evident that the party not conforming to it would assume the entire responsibility of its Acts towards third parties.

“ It is well to add that the Sublime Porte is at this moment ignorant of the course that the Company will adopt, but, until it has proof to the contrary, it supposes that it does not intend to act illegally. It is not therefore in any way authorized to enter upon a discussion of the possible consequences of suppositions which hardly seem to have the character of real and actual interest. Moreover, it is established that the final solution of the question in dispute shall be left to the decisions of the

International Commission, which will shortly be convened.

“Under these circumstances, therefore, the Sublime Porte was of opinion that in order to avoid all misunderstanding, it would be sufficient to address a further letter to his Highness the Khedive in the sense of the foregoing considerations, a letter which is already in his hands, and of which I transmit herewith a translation.

“Accept, &c.

(Signed) “RASCHID.”

In the presence of this indecision the Duc de Broglie took up a firm and even haughty attitude, addressing a memorandum to the English Government in defence of his countrymen's rights.* A curious little struggle on this point here began, in which the English Minister was not successful.

“The interpretation,” wrote Lord Granville, “which the Duc de Broglie appears to give to the Vizierial letter to the Khedive of the 12th of July last, does not, however, seem to be in exact conformity with the interpretation of that document given by

* Even when ambassador, the Duke showed his dislike to this country.

the Porte to her Majesty's Ambassador at Constantinople. The Turkish Government hold that the Vizierial letter in question lays down that the Canal Company will only be legally entitled to collect the dues on the basis of the net tonnage of the ships, measured on the Moorsom system, until some other system is decided upon through an International Commission. The Turkish Government also states its unwillingness to anticipate the contingency of the Canal Company disregarding the decision of the Porte.

“Under these circumstances, and independent of the injustice, as her Majesty's Government hold, apart from the point of legality, of the proceedings of the Canal Company, her Majesty's Government cannot in any way sanction the levying of the Canal dues otherwise than on the basis of net tonnage above specified.

“The Porte has proposed that the International Commission shall assemble at Constantinople on the 15th of next month. A proper manner of considering any representations which the Suez Canal Company may wish to make will thus be speedily provided; and her Majesty's Government will be ready to consider fully and equitably any representations

which may be made on behalf of the Company. But it is obvious that it is the duty of the Company to place themselves forthwith in a position of undoubted legality. In the event of any difficulty being experienced in the matter, her Majesty's Government are of opinion that possible misunderstanding would be obviated, and the solution of a question of some embarrassment would be much facilitated, if the French Government were to advise the Company to conform its action at once to the decision of the Sultan's Government. Her Majesty's Government would be ready to instruct their delegates at the International Commission to discuss and report on, as soon as possible, any representations which may be urged on behalf of the Canal Company with reference to the question of the dues.

"I am, &c.

(Signed) "GRANVILLE."

The ingenious projector turned every step to profit. "The Sublime Porte," he wrote to Nubar Pasha, on August 16th, "having recognised that, according to Article 17 of the Concession, the Company was entitled to levy, &c., at the rate of 10 francs per ton of a vessel's utilizable capacity, and that the

author of the Act of Concession took no account whatever of the ships' papers of this or that Power, the Suez Company declares itself satisfied, and can but render homage to the spirit of justice and loyalty that dictated the interpretation of his Majesty the Sultan's Councillors."

This is admirable, but how contemptuous is the tone of what follows :

"If the Powers that complained to the Sublime Porte are not satisfied on their part, the Suez Company, without recognising their right to judge of the conditions of a reciprocal contract drawn up without their intervention or authority, is perfectly willing to admit that in the interest of a universally true tonnage, and from the point of view of general utility, they should endeavour to come to an understanding among themselves with the object of determining in an official manner, an equal, just, and true tonnage for all flags.

"This it is that the Suez Company has already done for itself by its legal decision of the 4th March, 1872, in accordance with the formal terms of its Act of Concession.

"Acting on the Report of a Commission composed of admirals, engineers, and high functionaries of the

French Government, all of them strangers to the Administration of the Canal, the Company adopted the Moorsom system, which is nothing more than a process of admeasurement, and determined by means of this system the net tonnage, that is to say, the utilizable capacity of vessels.

“It is important to observe that the net tonnage employed by the Suez Company is still below the real capacity for cargo that vessels are able to carry under the usual conditions.”

It will be seen what adroit use is here made of the admission of the Porte, who, it must be recollected, was the legal judge to decide on the question. Let the Powers settle their confused system first, and *then* come to the Company, who would see what could be done.

This view was supported by the “strong-fisted” De Broglie, with whom Lord Granville but feebly contended. In vain Lord Lyons was despatched to him, representing earnestly that, “in the opinion of her Majesty’s Government, the first step to be taken by the Company was to conform to the decision of the Porte, and thus give legality to its proceedings. I proceeded to press upon the Duc de

Broglie's attention the importance which her Majesty's Government attached to obtaining the co-operation of the French Government towards removing existing difficulties, and in particular towards inducing the Company to carry into effect the decision of the Porte, pending the proceedings of the International Commission.

"The Duc de Broglie answered that the French Government had very small means of influencing the Company, and observed that its President, M. de Lesseps, was a man of great energy and strong opinions, who would not be persuaded to give up what he held to be the rights and the interests of his great undertaking.

"M. de Broglie went on to say, that, it must be remembered that the Suez Canal Company was an Egyptian, not a French Company, and that the decision of complaints against it belonged exclusively to the indigenous Egyptian tribunals. M. de Broglie added, that he was quite positive that the jurisdictions in suits brought by private persons against the Company belonged exclusively to the Egyptian tribunals, and by no means to the French Consular Courts in Egypt. He considered that this was quite as much the case now as it would be hereafter,

if the proposed judicial reform in Egypt should be carried into effect, and he had, he said, declared this distinctly to the Company.

“ M. de Broglie proceeded to observe that even if the French Government had possessed the means of enforcing the adoption of the English interpretation of the decision of the Porte, he should not have considered the case sufficiently clear to warrant him in putting any pressure upon the Company at the present moment. On the contrary, he must confess that it appeared to him that the natural construction of the communications which had been made by the Porte to the foreign Powers, was that while the Porte had commended the Moorsom system as that which in its opinion was the best, it desired if that system were objected to, either by the Powers or the Company, that the question should be decided by an International Commission. . . . In the meantime the Company must (M. de Broglie conceived) act upon its own responsibility and at its own risk (*à ses risques et périls*) ; and if private persons considered themselves to be aggrieved they must seek redress in the Egyptian Courts.

“ M. de Broglie did not admit that the remarks made verbally by Raschid Pasha to her Majesty's

Ambassador at Constantinople could determine the interpretation of the written communications formally made to Foreign Powers by the Porte.

“In speaking of the different systems of estimating the tonnage of vessels, I observed to M. de Broglie that the writer of the Memorandum sent to your Lordship by the French Chargé d’Affaires on the 15th ultimo appeared to have forgotten that the English system had been adopted by France. His Excellency replied that it was true that France had adopted this system for herself, but that this did not establish a rule for the world in general.

“At the end of the conversation M. de Broglie repeated that the cognizance of suits against the Suez Canal Company belongs to the Egyptian indigenous tribunals, and not to the French Consular Courts.”

On receipt of the report of this conversation, Lord Granville, who but a few days before “could not sanction” such view, hastened with almost obsequious alacrity to submit to the French Minister’s decision. “I have to inform your Excellency,” he wrote, on September 8th, 1873, “that I concur in the views of the Duc de Broglie with respect to the International Commission on the Suez Canal

dues, as stated in your despatch of the 3rd instant."

Not much was to be expected from a Commission where the two parties, whose views and interests were diametrically opposed, had stipulated that in case of one dissenting the finding of the Commission was to be of no account.

It must be said, however, that the English entered into the business in the most liberal spirit towards the Company. It declared that "her Majesty's Government will not object to a review of the dues both as regards standard and amount." But the Moorsom system was to be maintained, as was only reasonable.

"In case the gross tonnage without deductions should be adopted as the standard, then a deduction should be made in the maximum of 10 fr. per ton. The deduction should be so fixed as to give the Company in the aggregate an income equal to that which they would be entitled to according to the present standard, with such as may, having regard to the financial position of the Company, prove to be reasonable and necessary for the proper carrying on of its business."

Such were the instructions to Colonel Stokes and

Sir P. Francis, the English delegates. The Vizier was pressed for a declaration as to the intentions of the Porte should the Company refuse to obey the finding of the Commission or the orders of the Porte to lower their dues, when the following declaration was elicited :

Raschid Pasha stated emphatically that, if the Commission were of opinion that the Company was not justified in levying the dues on their present system, the Porte would unquestionably take measures to see that decision carried out, and he had already informed the French Chargé d'Affaires that such was his resolution.

"Upon that point he assured me," writes Sir Henry Elliot, "I might not feel the slightest doubt." Yet doubt would have been reasonable, as the "decision" was problematical, and the Porte had already declared that the Company was justified in raising its dues. There was, moreover, a coincidence in this view with the following haughty declaration made by De Lesseps to the Egyptian Minister on the eve of the assembling of the Commission :—

"M. LE MINISTRE,—Publications made by the 'Messageries Maritimes Company,' and the departure

of M. Girette (its representative) for Constantinople, allow us to foresee the attitude taken by our adversaries.

“His Imperial Majesty the Sultan having declared that the shareholders of the Suez Company have a right to levy the Canal tax on a vessel's utilizable capacity, without taking account of the official papers of this or that nation, and his Highness having thereupon expressed his opinion that the Moorsom system of measurement is the one that allows one to determine with the greatest exactitude the real utilizable capacity, the Messageries seek to make believe that the official English tonnage is actually the result of the application of the Moorsom system.

“I shall be much obliged by your kindly sending to his Highness the Khedive a literal reproduction of the Moorsom rules, as well as two numbers of the ‘Bulletin de la Compagnie de Suez.’ The former contains the only known Moorsom rule for determining the net utilizable capacity of vessels; the latter publishes the letters written by the Directors of the Messageries, with some short observations on our part.

“It follows, from calculations that cannot be disputed, that if we apply absolutely the Moorsom

system our actual receipts will be sensibly increased.

"As to the departure of M. Girette, I am of opinion that the Administration of the Suez Canal, as well as that of the Messageries, should take no notice of the deliberations of the delegates of the Maritime Powers, who are not called upon to pass judgment on the conditions of a contract made between a financial Company and the Egypto-Ottoman Government, but only to study the means of determining an universal and equitable tonnage for establishing officially by common consent, and from a scientific point of view, the utilizable capacity of a vessel.

"In this situation I think it right to beg of you to inform his Highness the Khedive, that I shall abstain from following the Messageries in the steps that they appear desirous of taking at Constantinople, keeping myself strictly to the terms of Article 17 of the contract of January 5, 1856, so loyally interpreted and explained in the Vizierial letter addressed to his Highness.

(Signed) "F. DE LESSEPS."

The Commission met on October 6th, 1873, and consisted of representatives of Germany, Austria,

Belgium, Spain, France, England, Greece, Italy, Holland, Russia, Sweden, and Turkey. The spirit of French diplomacy was shown in the selection of the delegates sent. M. de Broglie had told Lord Lyons that the two selected would be the Vicomte d'Arlôt, of the French Foreign Office, and an engineer whose name he did not give. These, it might be supposed, would be persons of independent character, representing the Government, and in nowise connected with the contending parties. It would have appeared strange had the English Government sent a director of the Peninsular and Oriental Company, whose dividends were to be seriously affected by the decision. Yet the engineer whose name M. de Broglie did not give, proved to be that Rumeau, who had been president of De Lesseps' two tonnage commissions, and whose views and opinions were actually what the Commission had now to discuss! And here arises a reflection which is not unworthy the notice of the political observer—viz., that under the Empire the Eastern policy of France was of the restrained kind, and, as regards England, of even a deferential character; but that with the Republic came the renewal of the old intrigues in Turkey and Egypt,

together with a declared hostility to English interests in these countries.

The discussions, as might be imagined, led to nothing, but this country was admirably served by its delegate, Colonel Stokes, the leading spirit of the whole, and who was armed at all points. "His complete mastery of the subject," says Sir Henry Elliot, "his tact and conciliating disposition has been freely recognised by all his colleagues." He clearly influenced all the delegates, excepting the French, who withdrew at an early stage. The English delegate thus summarizes the proceedings. At the end it was his adroitness that brought the rather impracticable Rumeau and his colleague to attach their signatures.

The following is a sketch of the proceedings sent by Colonel Stokes and Sir P. Francis to Earl Granville :—

"Pera, December 31st, 1873.

"The report and *procès-verbaux* of the International Tonnage Commission having been sent to your Lordship, we think that it may be agreeable to you to receive a report from us before we separate, giving a general account of our mission, the incidents

of which have been separately, and rather disconnectedly, as well as sometimes hurriedly, reported upon during their occurrence.

“The first meeting of the Commission, originally fixed for the 15th September, was postponed to the 1st, then to the 6th October, since which day it has, as a rule, met twice a week up to the 18th instant, when its discussions were brought to a close.

“We entered upon our joint duties upon the 21st September. During the fortnight which intervened before the Commission met, we had the advantage of meeting many of our colleagues, of ascertaining their views, and discussing them with several of the subjects which were to engage our attention.

“Our first step on the assembling of the Commission was to propose for its adoption certain rules of debate which should guide and regulate its action.

“These rules amended in discussion have proved a valuable safeguard against surprises, and have been very instrumental in bringing the Commission through some troubled debates to practical results. We feel justified in attributing to these rules a large measure of the successful issue of the Commission's labours, and submitting to your Lordship that there-

fore the three sittings spent in elaborating them were not spent in vain.

“Our instructions at first prescribed that the general question of tonnage should, if possible, be reserved for examination in London, and that the questions relating to the Suez Canal dues should form the principal subject of inquiry. We had very early to point out that this order of inquiry was hardly possible, on account of the conflicting instructions of the different delegates, and that it did not promise to be attended with success.

“The whole tenor of the Turkish instructions, and those of some of our colleagues, indicated the tonnage question as the principal one that was to occupy the attention of the Commission. On this subject we were able to unite a strong majority, and their decisions upon it showed unmistakably that the present mode of levying dues in the Suez Canal is irregular.

“The French Commissioners opposed the order of the day, which engaged the Commission in this course; but having submitted to the vote of the majority, they joined in the discussion on gross tonnage.

“As your Lordship is aware, they subsequently

retired from taking part in the debates of the Commission on the plea that the inquiry, 'What is the utilizable capacity of a ship?' was not being pursued, and that, according to their instructions, and interpretation of those given to the Ottoman Delegates, this alone should have been the object of the Commission's researches. This might have justified their retiring from our debates at the outset of the tonnage discussion, but was no sufficient motive for withdrawing after it had gone on for three weeks, and after they had expressed a willingness to accept the tonnage decisions, if the Suez Canal question could be arranged.

"In the discussion on gross tonnage we did not attempt to go into the past history of tonnage measurement, or into the theory of Moorsom's system, which is well known from his work and other publications made in England. Our technical colleagues showed themselves thoroughly conversant with these works in their opening remarks. As it was a question of proposing the English system, Colonel Stokes invited them to lead the discussion and make the proposition. We confined ourselves principally to an exposition of the true principles on which the measurement of a ship's capacity should

be formed, and to defending Moorsom's system against the fallacious interpretation put upon it by M. de Lesseps, and by the French Delegates in the Commission. We also took our share in the general refutation of the French idea that the ton of merchandize and the ship's ton are interchangeable expressions.

"In discussing net tonnage, our aim was to limit the deductions to a few well-defined spaces, excluding, as far as possible, facilities for evading the law, and to introduce such a mode of deducting the tonnage due to engine and fuel spaces as would most nearly take account of the real space occupied by them, not unduly restrict the use of the ship, and not encourage evasion of the law, whilst at the same time it could be applied without interference with existing laws. We believe that these ends have been attained by the system recommended.

"The wish of her Majesty's Government that gross tonnage should be adopted everywhere as a basis of taxation was not neglected by us, but it met with a decided opposition in some quarters, and with no support in any. We did not, therefore, press it, and contented ourselves with making a reserve in

favour of its future adoption, when it may be found possible.

“The contention of her Majesty’s Government that the ‘net’ or ‘registered’ ton was the ton intended by the term ‘tonneau de capacité’ in the concession to the Canal Company, has been amply justified and maintained by the opinion of the great majority of the Commission; and the new term ‘utilizable capacity’ was formally declared, by the vote of the Delegates of the ten Powers out of the twelve represented, to be best expressed by the net tonnage recommended by the Commission.

“Before the Commission closed its examination of the tonnage questions, it received an invitation from the French *Chargé d’Affaires*, through the Turkish Minister for Foreign Affairs, to examine the difference between the official tonnage of a ship and the number of tons weight which it can carry. This demand was coupled with a threat that if it was not complied with the French Government would only treat the question in future through diplomatic channels.

“The Commission did not refuse to examine the point, but attached its own conditions. The point, however, was not further examined, but the French

Delegates did eventually re-enter the Commission and adopt its conclusions on tonnage.

“From the time that it became certain that the Commission would adopt the English law for gross tonnage, and that net tonnage in some shape derived from it, would be declared to be the basis of taxation, active efforts were made by the Delegates of certain Powers to bring about an arrangement for settling the Suez Canal question.

“Towards the end of October overtures were made to us to come to an arrangement for settling the Suez Canal question.

“The mode in which this might be effected was examined and discussed in private meetings during nearly a week. The French proposed to add to the net tonnage of every vessel an equivalent for the difference between it and the number of tons of merchandize which she can hold, and to tax this increased tonnage. We would not accept this. We then offered either to adopt gross tonnage as a basis with a proportionate decrease of the maximum, or to arrange a surtax, which should decrease as the total net tonnage should increase.

“The French Delegates would not hear of any reduction of the maximum toll of 10 francs. The

only remaining proposition, that of the surtax, became the basis of an understanding.

“ Her Majesty's Government approved of the terms of this offer, which were founded on a careful examination of the published figures of the Company. During three weeks the French Delegates made no sign : but the Commission continued to discuss the tonnage question, which was closed on the 18th November.

“ The Commission then proceeded to examine into the legality of the Company's present mode of levying dues, and distinct opinions were expressed in condemnation of it.

“ Through the intervention of the Russian Delegate the negotiation for an arrangement was resumed, and the formal vote pronouncing the present system illegal, was suspended. An arrangement was then come to, of which the terms have been so recently fully stated as to make it needless to repeat them here.

“ This arrangement must be carried into effect within three months.

“ In conclusion, we hope that your Lordship will permit us to express our grateful acknowledgments of the support we have throughout received from his

Excellency Sir Henry Elliot, to whom, by your Lordship's directions, we have continually resorted for advice and are indebted for invaluable counsels and assistance on many occasions of grave difficulty."

Thus had the *perfidie Albion*, after apparent defeat, carried the day. The whole struggle, carried on patiently and with due moderation, was certainly creditable as a chapter of English diplomacy. But there was a Power to be now dealt with, the intrepid and indomitable projector of the Canal, who it will be recollected had announced beforehand that he declined to accept the ruling of a Commission in the matter of a private contract. Already there was some trepidation as to how the decision was to be formally communicated to him. It was a nervous task approaching the baited and baffled projector.

A Vizierial letter from the Porte to the Khedive embodying the resolutions of the Commission was drawn up, and on January 31, 1874, Colonel Stokes wrote home :—

"The Viceroy is now in possession of the Vizierial letter informing his Highness that the Porte has

adopted the recommendations of the International Tonnage Commission, and assigning a term of three months within which they must be put in force.

"I learn from General Stanton that the Viceroy was to give M. de Lesseps notice of the Porte's decision on the 29th instant, when the latter had audience of his Highness; but owing to the Bairam fêtes now in progress, it has not been possible to learn what reply he made to the communication.

"Your Lordship will receive General Stanton's report of the Viceroy's intended action, should M. de Lesseps refuse to comply with the decision of the Porte as conveyed to him by his Highness.

"From this it would appear that no immediate steps will be taken in the matter. The Viceroy will demand from the Porte a more categorical order than he considers the Vizierial letter to contain. On the receipt of it his Highness will, at the end of the three months, take steps to enforce the decision of the Porte."

Thus all had turned against our projector; Porte, Khedive, and his Government. Submission he did

not think of, but he was willing to treat, and characteristically he submitted his terms in the shape of proposals for delay, a surtax, &c.

This representation was deemed insufficient, and on February 18th the Porte issued a circular to its representatives at Foreign Courts, announcing the decisions arrived at. The Sultan was indeed now in the position of a court at law that had given judgment, the Khedive in that of the Sheriff who was to execute the warrant. There were rumours that he might not be inclined to show sufficient alacrity in carrying out his duty. "I trust," wrote one of the English agents, "that it is conveyed to the Khedive in a form which is considered sufficiently explicit to warrant him in carrying it into execution." It shows what influence the name of De Lesseps exercised, that it should have been found necessary to meet his demurrer to the finding of the Commission by a fresh warrant to the Khedive. This however took a peremptory shape.

"I have had the honour to receive your Highness' letter dated 17th Lilhidjé, 1290, as well as M. de Lesseps' letter enclosed in it, in reply to the communication addressed to your Highness the 22nd

Zilkadé, 1290, on the subject of the labours of the International Tonnage Commission.

“In the above-mentioned letter M. de Lesseps puts forward the conditions of the proposal which he declares himself ready to submit for the adoption of the general meeting of the shareholders of the Suez Canal Company. He annexes to it certain documents which give the amount of expenses which might become necessary for the execution of certain supplementary works in the interest of navigation.

“The proposal of M. de Lesseps differing in essential points from that which had been drawn up by the International Commission, I think it necessary, in order to avoid all misunderstanding, to refer to the tenor of the communication of the 22nd Zilkadé.

“In this communication it had been established that the International Commission, in consideration of the instructions of the Sublime Porte, which M. de Lesseps himself has very favourably appreciated, had fixed, with the authority which belonged to it alone, the basis of the toll to be levied by the Canal Company. At the same time your Highness was invited to bring to the knowledge of the Company

the opinion emitted, thanks to the unanimous concurrence of the wills of the several Maritime Powers on an arrangement of a special character.

“ From that it is easy to comprehend that it would be impossible for the Sublime Porte to change upon any of these points.

“ All improvements suggested for the maintenance of the Canal may merit the attention of the Imperial Government ; but the Sublime Porte can only undertake to recommend them to the appreciation of those interested, when the question of the toll shall have first ceased to cause difficulty, and when subsequently the improvements shall have been put forward by the Company, in a manner sufficiently founded on good reasons.

“ Therefore, and in conformity with the spirit and the letter of the communication of the 22nd Zilkadé, your Highness is begged to give knowledge of what precedes to the Company, and to reiterate to it the assurance that in the event that, before the expiration of the delay of three months, it shall not have adhered to the proposed compromise, the toll on ships traversing the Canal shall be levied on the basis of 10 francs per ton according to the calculation

of the net tonnage established by the International Commission."

On March the 19th, he received notice from Cairo that the Sultan's instructions must be carried out; but it is clear there was much trepidation lest he should not obey. "You will observe, M. le Président," wrote Prince Mehemet Tewfik, soothingly, "that the Imperial Government insists on the execution of the measures adopted concerning the toll to be levied on vessels traversing the Canal, and invites his Highness to see strictly to the execution of the measure which prescribes the levying of a toll of 10 frs. per ton according to the valuation of the net tonnage established by the Commission, in the event that before the expiration of the term of three months indicated in the Vizierial letter of the 22nd Zilkadé, the Company should not have notified to his Highness its adhesion to the proposed compromise.

"His Highness, M. le Président, is persuaded that the Suez Company will itself execute the decision of the Sublime Porte, and that his Government will not see itself obliged to intervene to hold it to this execution with a high hand in conformity with the orders of the Sublime Porte."

These misgivings were to be justified. Driven to bay, our projector first flung at his persecutors the following indignant protest :—

“Cairo, March 20th, 1874.

“MONSEIGNEUR,—I have had the honour to receive your Highness' despatch of yesterday's date, and I have studied with the greatest attention the two Vizierial letters of the 7th March, 1874, addressed to his Highness the Khedive.

“The preceding Vizierial letter of the 22nd Zilkadé, 1290, mentioning a compromise advised by an International Commission in which the Suez Canal Company had not been called upon to participate, had seemed to us to contain a simple draft; the arrangement advised could only be called a compromise, if it was the result of an agreement between the contracting parties.

“Accordingly, I was forward to show my goodwill to enter into negotiation, and I had submitted to the Sublime Porte by the gracious intervention of his Highness the Khedive, a proposal which I considered to be sufficiently equitable to be presented to the Council of Administration of the Company and to the general meeting of the shareholders.

“ The two new Vizierial letters are to be read, no longer as a demand for negotiation, but as a formal summons to be supported, if necessary, by a Government force.

“ Consequently, I withdraw my proposal of conciliation, and I maintain in all their entirety the written rights of the shareholders of the Canal without any modification. The financial Company of the Suez Canal having of itself no other force than its right, and desiring to avoid a conflict which would be vexatious for every one, sees itself obliged to submit temporarily, but it establishes undeniably the violation of a public contract legally settled by the following article 17 of its Act of Concession, ratified by his Imperial Majesty the Sultan :—

“ ‘ To indemnify the Company for the expenses of construction, of maintenance, and of working the Canal, which are laid upon it by these presents, we authorize it from the present time, and during the whole duration of its possession, to establish and levy for passage through the Canals and ports depending on them, dues of navigation, pilotage, towage, tracking, or anchorage, according to tariffs which it may modify at any time under the express condition :—

“‘ 1. Of levying these dues without any exception or favour on all vessels under the same conditions.

“‘ 2. Of publishing the tariffs three months before putting them in force in the capitals and principal commercial ports of the countries interested.

“‘ 3. Of not exceeding for the special navigation due the maximum figure of 10 fr. per ton of capacity of vessels, and per head of passengers.’

“ I give herewith copy of a protest which I deposited at Constantinople the 13th of May last year, at the moment when a first attempt had been made to prejudice the rights of the Suez Canal Company. This prejudice having become to-day a fact put arbitrarily in execution in spite of the observations contained in my memorandum of the 22nd December, 1873, and in my proposal of the 31st January, 1874, I renew personally my previous protests, and answering for the shareholders who have confided to me their capital, under faith of a solemn contract, clothed with all legal formalities, I declare that I hold the Ottoman Porte responsible for all the losses which may result from the application of the tax of 10 fr. per ton, according to the inaccurate calculation of the International Commission, instead of the ton of real utilizable capacity fixed by our contract.

"I must also consider as a second violation of contract on the part of the Sublime Porte, the necessity imposed upon us to apply the new tariff before the delay required by the Act of Concession and the Statutes for the publicity of tariff modifications ; and I make on this subject a special reserve for the damage which shall be caused to us until the moment when the Company shall have been able legally to make the necessary arrangements in order to compensate, according to the regular means, of which it will take advantage, the damage, estimated in the present state of things, at 700,000 frs. a month.

"I beg, &c.

"The President Director of the Universal
Company of the Suez Maritime Canal,
(Signed) "DE LESSEPS."

But after a night's reflection, he sent a declaration of the course he intended to pursue—viz., to ignore the decision altogether, and adopt a tariff of his own.

"Ismailia, March 21st, 1874.

"MONSEIGNEUR,—In execution of the measure imposed on the Suez Company by the Sublime Porte, under menace of the employment of force, and on the subject of which I yesterday addressed

to your Highness my protest, I have the honour to inform you that, by telegraph, I have just engaged the Company's Council of Administration, to publish the notices required by our contract in order to apply within the legal term, that is to say, on the 1st July next, the new tariff of the special navigation due according to the Danubian tonnage.

"The first and third paragraphs of Article 17 of the Act of Concession of the 5th January, 1856, contained the following prescriptions :—

"‘The Company can modify its tariffs at any time, under the express condition of publishing the tariffs three months before putting them in force, in the capitals and provincial commercial ports of the countries interested.’ Be so good, &c.

(Signed) "FERD. DE LESSEPS."

This amounted to a demand for time. But the Porte was inflexible. After some delay an answer came declining to concede the request. Stung to frenzy by this treatment, he threw off all restraint, and in April addressed the following defiance to the authorities :—

"In reply to the communication of a telegram from the Sublime Porte of the 7th of this month, I

have the honour to declare that, after a first refusal of my proposals of negotiation or conciliation, and after a second refusal of the statutory delay for publishing the modification of tariff arbitrarily imposed, I shall oppose, in my quality of President of a universal financial company, and as French citizen, an absolute resistance to the violation of a bilateral contract accepted and fulfilled by forty thousand French shareholders. In the absence of any responsible plaintiff, and of any sentence or judgment of the Porte, the Powers have no right to interfere in our affairs when we strictly observe the terms of our contract.

“ I make my arrangements for assembling, within the legal delay, the general meeting of shareholders, to whom the present question shall be submitted intact, with the maintenance of all their rights.

“ I remit herewith copy of Article 12 of the Act of Concession of the 20th November, 1854, of Articles 14 to 22 of the Act of Concession of the 5th January, 1856, and of the Imperial Firman of the 19th March, 1866.”

There was consternation at Pera on receipt of this intelligence. Hurried telegrams were addressed

to all the Courts of Europe, and Lord Derby's advice entreated.

"You have been informed by my preceding telegram," telegraphed Raschid Pasha to M. Musurus at London, "of the protest entered by M. de Lesseps against the application, at the date fixed, of the navigation tariff of the Canal, and of the menacing attitude which he has taken, declaring his resolution to resist any measure that might be adopted.

"This fact has engaged all the attention of the Imperial Government, and as I intimated to you, the Council of Ministers, after having deliberated on it, decided to telegraph this very day to his Highness the Khedive, to authorize him, in case M. de Lesseps should persist in his refusal, to use all the means and all the force necessary to constrain M. de Lesseps to obey the injunctions of the Sublime Porte, and to insure in an efficient manner the application of the tariff in question. You know, without need of my having to tell you, that we act in this circumstance in agreement with the Powers; that we have here to deal with a question of authority, and especially to cause to be executed a decision, the legality of which has been recognised by the Governments, who are unanimous in counselling us

to employ energy in obtaining on this subject the execution of the arrangements agreed upon.

“On the other hand, according to our information, M. de Lesseps, as he shall see himself seriously called upon to obey the invitation which has been addressed to him, will push matters even to abandoning the Canal, withdrawing the administrative *personnel*, the *employés* set over the works of maintenance and others, to extinguish the lights, stopping the telegraphic communication on the Canal, which will forcibly lead to disturbance in the service, and perhaps, as a consequence, to the interruption of the navigation.

“We declare thus formally from the present moment, the grave responsibility and all the consequences which might result from it would be chargeable to M. de Lesseps and to the Council of Administration of the Canal.

“Be so good as to speak with Lord Derby on what precedes, and telegraph to me immediately his opinion on a state of affairs which is of universal interest.”*

* The nervous perplexity and trepidation conspicuous in this document is characteristic of the Turkish Government. It was clearly suffering from three sources of anxiety, afraid—first, lest

Here our projector made a false step, though a truly French one. It may be believed that he was perfectly genuine in his declaration. It is impossible, however, not to sympathize with a man who had gone through such a struggle, who had been so successful, and who was highly sensitive at the cold and hostile attitude of those who had all along opposed him, and who were now arbitrarily taking possession of his grand work, and regulating it as though it were their own. We can very well conceive the vexation and despair with which he encountered the rather high proceedings taken against him.

On this momentous day, April 16, the Khedive received an answer to his telegram, to this effect :—

“ Cairo.

“ The Council of Ministers, after having deliberated on the telegram that your Highness was good enough to address to me on the 11th of April, to transmit me the protest of M. de Lesseps against

it should appear not to obey the Commission ; second, lest the Khedive should not obey it ; third, lest De Lesseps should not obey the Khedive.

the application of the navigation tariff, has just agreed to the following resolution :—

“ ‘ In presence of the refusal of M. de Lesseps, and of the menacing attitude which he has taken against the Sublime Porte, your Highness is authorized to use all the means and all the force necessary to insure the strict application of the tariff at the appointed date.

“ ‘ In the event of M. de Lesseps abandoning the Canal, and withdrawing whilst interrupting the service, your Highness will be so good as to inform me of it by telegraph, in order that I may make known to you the decision of the Imperial Government.’ ”

It is clear that the Viceroy of Egypt did not regard matters from the agitated point of view that the advisers of his suzerain did, or perhaps felt a secret satisfaction at their embarrassment. His growing wish for independence caused their relations to be always of a rather strained sort. A week elapsed before any step was taken, when General Stone, of the Egyptian service, and chief of the staff, was sent off from Cairo with officers and troops to the Canal. Captain M'Killop, an English officer in the Egyptian naval service, was also despatched in a

frigate to Port Said in order to insure that the mouth of the Canal was kept free. The first bore a letter from the Viceroy inviting De Lesseps, we may be sure in friendly terms, to withdraw his ill-judged opposition, announcing to him that otherwise the Canal would be taken possession of, and all the employés who attempted resistance removed.

In this mortifying situation there was no resource for the high spirited projector but submission. Again it must be said, that it is impossible to withhold from him a certain amount of sympathy.

On April 26 he was at Cairo, and notified that he had yielded. He thus addressed the Viceroy :—

“Cairo, April 26th, 1874.

“MONSEIGNEUR,—In reply to the despatch which your Highness did me the honour to address to me yesterday, I hasten to transmit you copy of a telegram sent the same day to the administration of the Suez Canal at Paris.

“Cairo, April 25th, 1874.

“Considering the orders given by the Porte to take possession of the Canal, and, under protest,*

* For the Protest see the Official Documents.

reserving all rights of the shareholders, our transit service will, from the 29th onward, apply the tariff of the special navigation due with surtax imposed by the Porte.

(Signed) "LESSEPS."

"Your Highness will find herewith my protest against the decision of the Ottoman Porte, in order that it may be notified to Constantinople.

"The President Director of the Universal
Company of the Suez Canal,

(Signed) "FERD. DE LESSEPS."

Such was the close of this struggle, in which our intrepid projector, though defeated, was not disgraced. Nay, it would even seem that he had almost wished to *reculer pour mieux sauter*. At least, a few days later, we find the Company levying duties under the new tariff, and putting in practice new and unlawful devices of measurement for extracting more than the law allowed them! On May the 4th, the watchful Colonel Stokes was writing to complain of the "incompressible" Company:—

"From information received from Alexandria it appears that the tariff to-day applies Moorsom net

tonnage; 14 francs if engine deductions exceed 32 per cent.; 13 francs if below; and will measure interior spaces in order to tax 13 or 14. This information tallies with that sent to your Lordship by General Stanton, to the effect that vessels are being measured and are entering their protests. I have the honour to draw your Lordship's attention to this proceeding on the part of the Suez Canal Company, as it is clearly opposed to the terms of the arrangement under which the surtax is levied and to the principles laid down by the International Commission and formally adopted by the Sublime Porte. Articles 1, 2, and 3 of the arrangement distinctly specify the course to be pursued with respect to vessels measured according to the Moorsom rule. The tax and surtax shall, under these provisions, be levied on the net register tonnage, differing according to the section of clause 23 of the Merchant Shipping Act of 1854, under which they have been measured. Article 4 provides what is to be done with vessels measured under other than the Moorsom system. All of these provisions apply only to the examination of the ship's papers and to calculations to be deduced from them. No measurement by the Company was provided for. The principles

laid down by the Commission, which are part and parcel of their Report containing the special arrangement for the Suez Canal, are entirely opposed to this proceeding of the Canal Company. The Report says, in its sixth paragraph (page 465 of the printed correspondence, lines 22, 23) :—‘ The fixing of tonnage appertains in every country to the Sovereign Power, as one of the attributes of public authority.’ And section 2 of the considerations submitted to the Powers runs as follows (page 466, lines 39 to 43) :— ‘ § 2. This certificate of registry delivered by the competent Government authority shall be officially recognised in every country as the true basis for the application of ships’ dues and taxes. These dues and taxes shall be invariably applied to the net tonnage of a ship.’

“ By forcing every vessel, then, to undergo a fresh measurement, the Company is running counter to the terms of the arrangement and to the orders of the Sultan. M. de Lesseps is thus practically maintaining his principle that the Company has the right to determine the tonnage of each ship. But this principle is directly opposed to that above quoted, that the Sovereign Power in each country is alone competent to decide this point, and that the papers

given by its properly appointed agents shall be everywhere received without dispute."

This was only one of the points that had been left untouched or undecided by the Commission, as embarrassing or beyond their province; and the Company recovering courage, insisted on an interpretation to their own profit. The British Government also disputed their right to reckon the soldiers in a transport ship as "passengers." However, Lord Derby handsomely declared that the Government did not wish "to add to the difficulties of the Company by demanding the suppression of this tax, which would issue from a just interpretation of the Act, especially as it is interested in the matter. The British Government did not intend to insist on this point so long as the troops of other Powers are treated on the same footing as the English troops." Subject to this reservation he was of opinion that "the toll should be paid without further protest."

This was acting in a liberal spirit; but at the same time, there can be little doubt that the claim that a troop-ship was not to be considered a passenger ship could hardly be supported. Each soldier was certainly a passenger in the sense of enjoying the benefit of the Canal, just as he would have been

in the case of a foreign railway. At the same time it was a matter for private arrangement between the Government and the Company, who by the rule of custom in such cases ought to carry at a reduction. If the theory obtained that soldiers were not to be considered passengers, the strange result would follow that they would not fall under any category and would pass free. Again, the reserve as to other Powers being favoured, showed a curious ignorance of the terms of the concession, in which it was strictly provided that all the Powers should be treated and charged alike. Further, shipowners, now that matters had been accommodated, were clamouring for a return of the excess charges made during the last two years, and appealed to Lord Derby, who on May the 25th, was of opinion that "as British commerce has undoubtedly benefited by the opening of the Canal, and would be much injured by its failure to fulfil its engagements, it would be of doubtful advantage for British owners to press their claims for the restitution of the excess dues."

This, again, was conceived in a liberal spirit, but in the same despatch an allusion is made to a significant fact which shows what the character of the whole momentous controversy really was. After

all it was now admitted that the tax the Company had illegally charged was but "slightly in excess" of what they were now entitled to impose! For all practical purposes the Company, though apparently defeated, had been victorious, and the indomitable De Lesseps had, at a small sacrifice, nearly succeeded in obtaining legal sanction for what he had hitherto been doing without authority.

CHAPTER XVIII.

SECOND DEFEAT, 1874-5.

HAVING thus done battle with Courts and Commissions, and having been fairly worsted in the struggle, it was to be expected that our projector and his Company would have had sufficient of these agitations and have accepted their lot. This, it appears, was not to be looked for. Within two months they were setting the orders of the Commission, that is of the Viceroy, at defiance, and loud complaints were made to the English Government of vessels being stopped, remeasured by the officials of the Company, and of steamers being charged on an increased tonnage.* Nothing could be more clear than that this was illegal,† but the Company

* As in the case of the Peninsular and Oriental Company's ships, with the trifling result of increasing the tonnage by thirty tons.

† Par. 6, Sect. 2, of the Report, says :—"This Certificate of Registry, delivered by the competent Government authority, shall

coolly disregarded all protests and complaints, and continued remeasuring and recharging until it suited their interests to stop the practice. There was, indeed, the Sultan's commissioner at Port Said, appointed to see that the settlement was faithfully carried out ; but as it turned out that this functionary was receiving a regular salary from the Company his interference was not likely to be of much assistance.* Nor was the Company's treatment of the claims of the English Government for the restitution of dues paid under protest before the decision less contemptuous. A sum of 2477*l.* thus overcharged was applied for, and a haughty answer received from the director of the Company. Calling it "an astounding claim," he made a counter charge declar-

be officially recognised in every country as the true basis for the application of ship's dues and taxes. These dues and taxes shall be invariably applied to the net tonnage of a ship." The Vice-regal letter of the 11th of January formally adopts these principles.

* Lord Derby took an indulgent view of this curious arrangement, saying that he certainly stood "in an anomalous position for a controller, but he is nevertheless responsible to his own Government ; and as the irregularities he has to check can always be made known to the foreign Consuls, and, if he is indifferent, by them reported to their Governments, he would probably stand in fear of the Porte's displeasure."

ing that since April, "by a scandalous abuse of military force, we have been prevented from levying the dues allowed by our Act of Concession. My protest, of which I enclose a copy, maintains the rights of the shareholders ; and though, by an official communication every month, his Majesty the Sultan is held responsible for the loss violently inflicted upon us, this loss nevertheless constitutes a debt for which each vessel is liable which profits *by the act of spoliation*, and derives undue benefit from the resolutions of the International Commission of Constantinople, *properly stigmatized as 'international robbery'* in a pamphlet published at Liverpool by one of her Britannic Majesty's subjects."

Another lawless proceeding was suspending the returns of tonnage passing through the Canal, so that the sliding scale fixed by the Commission could not be applied. But the case of the *Mesopotamia*, which belonged to a private firm, illustrated the arbitrary and defiant spirit in which the Company were carrying on their business. This vessel had come in collision with a dredger and done some damage, and after passing through the Canal had proceeded on her course. On her second voyage she was refused entrance until she had paid a sum

of 50*l.* for the damage. After being detained two days, and much angry discussion, the money was paid under protest, and the ship was allowed to proceed. The law agent declared that the Canal was theirs, and that they could do as they pleased with it, and added ironically, that so far from detaining the vessel "she was free to go wherever she may please, or to return whence she came, except inside the Canal." The insolence of these pretensions was not even justified by the regulations of the Company, as the only case provided for was that of running aground, when the vessel was to be got off by the officials, and at the charges of the vessel. In any case it would seem that this was merely a case to be prosecuted in a court of law, every vessel being entitled to pass through the Canal on payment of the regular tolls. As in other instances, no redress would appear to have been obtained.* No wonder that those interested began to see the hopelessness of contending with this irrepressible body, and that

* Every vessel, on paying dues, was served with a protest and claim for the amount under the old scale, couched in offensive language. Lord Derby directed that the Porte's attention should be drawn to "the objectionable wording," but of course without result.

hints were thrown out that until the Canal could be taken out of their hands by purchase and made an international enterprise these disagreeable incidents would not cease.* It was clear that no redress was to be obtained, and the English Ambassador at Vienna reported the views of a gentleman at that Court, who was well acquainted with the question, and which revealed the character of "the game" the Company was playing.

"No steps," said this gentleman to Sir A. Buchanan, "had been taken at Constantinople to enforce the resolutions of the Commission, and it was to be feared that if the Porte allowed one part of the arrangements which had been recommended by the Commission to be disregarded, they might become equally indifferent to others of more impor-

* Mr. Trevor, of the Board of Trade, seems to have been the first to have broached this view :—"The present case again illustrates what has appeared from the beginning of the discussion relating to the Suez Canal dues—viz., that complications and difficulties will be endless so long as this great highway of nations remains in the hands of a private company."—Par. Papers, "Egypt," No. 2, 1876, p. 25. It may be added here, that the account given in this section is based on the correspondence and reports furnished in the same collection, as well as in the French Yellow Book, *Affaire du Canal de Suez*.

tance. He said the Company seemed now to think of nothing but increasing the value of their stock by favourable balance-sheets, while they entirely neglected the works which ought to be carried on for maintaining a due depth of water in the Canal. Therefore, while the revenue was approaching an amount at which the Maritime Powers would be entitled to claim a diminution of the dues, the depth of the water in the Canal was diminishing, and when a reduction of the surtax would be claimed, the Company would reply that it was impossible to grant it in consequence of works which the Company would have to undertake to regain the depth of water necessary for the navigation ; and as a proof that some scheme of this kind is contemplated to defeat the recommendations of the Constantinople Commission, he had only to mention the difficulty, or rather the impossibility, of obtaining any accurate information as to the receipts of the Company.

“ After these observations, he went on to say that, as the Suez Canal had now become a necessity to the trade of the East, it would, in his opinion, be a mistake to leave it in the hands of a private association. He was ready to admit that it was almost impossible to give it an international ownership, but

it appeared to him that all the advantages of such an arrangement might be obtained if the Canal could be conveyed to the Khedive, subject to the supervision of an International Commission."

Another solution of this arrogant behaviour would appear to be that the Company felt that it would have the support of the French Republican Government. The vehement and almost unscrupulous fashion in which it had championed the interests of De Lesseps at Constantinople, notwithstanding the mortifying defeat it had encountered, might fairly encourage our projector to hope to prevail on less important points. After such a serious struggle, he might naturally have thought that the victors would be disinclined to renew the contest on comparatively trifling grounds, and that thus he might look for impunity. And he seems to have calculated aright, as the various diplomatists shrank from the trouble of restoring their concerted action, which entailed a fresh series of notes and *pourparlers*. The Porte too, as will be seen, was giving him private assurances of its goodwill, that it had acted under compulsion, &c., thus carrying out its favourite double-dealing policy. Seeing, therefore, that he

could act with impunity, he judged the moment favourable to venture on a bolder course, which was to attempt to have the work of the Commission reversed, and still further increase the charges on the vessels using the Canal. With this view he despatched his son, M. Charles de Lesseps, who was also a Vice-President of the Company, to Constantinople to negotiate the matter. And here was to begin a new chapter of diplomatic struggles, characterized by all the ingenious and tortuous incidents of Eastern policy. Nor was success unlikely. The plea put forward was the desperate condition of the Canal itself, the works of which would require a sum of nearly two millions sterling to put in proper condition. The mouth was "silting up," the piers were settling down, the curves of the channel itself dangerous. International Commissions might declare, and enforce their declarations, that only certain charges should be made ; but if these were insufficient to maintain the undertaking, or to preserve it from ruin, such interference was clearly futile. Such was the case presented, and supported by all the influence of the French Government. Their Ambassador at Constantinople pressed this

view on the irresolute Turkish Ministry. The Vizier, with characteristic duplicity, complained to him of the interference of the Powers in a matter purely administrative, and the French Minister in reply artfully reminded him that all through the discussion *he* had been the sole supporter of the rights, dignity, and independence of the Porte, and that the latter might thank itself for the result. That Government had committed two serious faults:—it had allowed a mere matter of detail to take the shape of an international question; and it had, “by a course of proceeding which I do not wish to recal now,” allowed a purely scientific and advising Commission to become a judicial tribunal, deciding on the relations between the Sultan and the Company.

The Turk seemed impressed by this view, and inclined to receive the case of the Company with favour. The Frenchman saw, however, that they were in terrible awe of the English. His Government, therefore, had judged prudent to advise its Minister to come to some arrangement with Sir Henry Elliot. There was sufficient belief in the fair play and justice of England to encourage the hope of some agreement being arrived at, while

Lord Derby had always shown himself eager to consider favourably the difficulties of the Company. Sir H. Elliot proved, therefore, highly "sympathetic" (the favourite French phrase of diplomacy), and even promised his personal support ; but he was inflexible on the point of legality, and of making the arrangement with the approbation of all the Powers. The French Ambassador could not resist asking him, how he contrived to reconcile the rather exaggerated respect that he professed for the independence of the Sultan with this perpetual attempt at controlling his free action by the other Powers. The younger De Lesseps arrived in the first week of April, to promote his scheme of raising fresh funds, which he proposed should take the shape of increased dues, or of preventing the reduction in the present rate from taking place so soon as was fixed by the Commission. He had an interview with Sir H. Elliot, who received him "sympathetically," assured him that her Majesty's Government would listen to his representations with every disposition to act fairly and liberally by the Company. There were, however, certain "reserves;"—there must be a due regard for the interests of British shipping ; they

would require some guarantees as to the necessity and character of the new works.*

The Suez Company would certainly seem to be an admirable training school for Eastern diplomacy, as will be found from the next step. It will be recollected that loud complaints had been made for

* He received from the negotiator the following programme of the works considered necessary :—

Projected Works.

1. Improvement of the sidings—widening to 15 mètres and lengthening to 1000 mètres all the sidings on both banks—	
Between Ismailia and Port Said, 585,000 mètres at 2 fr.	1,170,000
Kantara siding widened to 18 mètres on one side only, but lengthened to 1000 mètres ; 75,000 mètres at 4 fr.	300,000
Between Ismailia and Suez, 443,750 mètres at 2 fr. 50 c.	1,100,375
Creation of a double siding at the Deversoir, 240,000 mètres at 2 fr.	480,000
	<hr/> 3,059,375
2. Straightening of curves—	
Straightening of the Lake Timsah curve	170,000
Dredging for enlarging the Lake Timsah siding and the landing bridge	1,200,000
Straightening of curves between Port Said and the Bitter Lakes	1,148,800
Straightening of the Bitter Lakes' and Suez curves	620,000
	<hr/> 3,208,800
3. Improvement of the Suez section of the Canal—	
Enlarging and straightening the bed of the Canal in the Suez section	750,000
	<hr/> 750,000
4. Revetment of the banks, casing with stone—	
(1.) Between Port Said and the 60th kilomètre, 60,000 mètres at 12 fr.	720,000
(2.) Between the 60th kilomètre and Lake Timsah, 22,500 mètres at 12 fr.	270,000
	<hr/>
Carried forward	990,000
	<hr/> 7,018,175

nearly a year previously of the exactions of the Company and the charges they had imposed in defiance of the Commission. These grievances had been pressed by England and other countries, and at the time M. Charles de Lesseps arrived

Brought forward	990,000	7,018,175
(3.) Between Lake Timsah and the Bitter Lakes, 25,000 mètres at 12 fr.	300,000	
(4.) Between Chalouf and Suez, 25,000 mètres at 10 fr.	250,000	
	<hr/>	1,540,000
5. Completion of the existing basins at Port Said and straightening the slant of the sides, 610,000 mètres at 1 fr. 50 c.	915,000	
	<hr/>	915,000
6. Mooring posts— Establishing cast iron posts with stonework foundations round the basins at Port Said, at the sidings, and along the banks of the Canal, for mooring vessels and assisting them to float when aground	4,494,200	
	<hr/>	4,494,200
7. Creation of new basins in accordance with the Franco- Egyptian Commission of 1866	9,720,000	
	<hr/>	9,720,000
8. Purchase of plant for carrying out the works, 3 dredges at 700,000 fr.	2,100,000	
And 12 bearers or lighters at 200,000 fr.	2,400,000	
	<hr/>	4,500,000
Total		28,187,375

Works not Immediately Necessary.

9. Prolongation of the jetty into waters 10 mètres deep, 15,000 mètres at 6000 fr. (contemplated in the absence of any other works which might be thought preferable for maintaining easy access to Port Said)	9,000,000	
	<hr/>	9,000,000
10. Construction of stonework quays round the Port Said basins (estimate)—		
11. Dredging the outer port in order to enlarge the en- trance channel to 200 mètres, 2,250,000 mètres at 1 fr. 50 c.	3,375,000	
	<hr/>	3,375,000
General Total	Fr. 40,562,375	
	(£1,800,000)	

replies were actually forthcoming. When Sir H. Elliot waited on the Minister to receive them, he was told "that they were drawn up, and were to have been sent the following day, when it was thought *advisable to keep them back till it was seen what M. de Lesseps had to say.*" This was a most artful *coup*, the proposed advantage for the Company was actually made use of as a means to frustrate the just aims of those from whom the advantage was sought. Such dealing seems incredible. When the vacillating Safvet Pasha helplessly asked the English Ambassador what answer he would advise should be given, the latter was peremptory. "I replied that his course appeared so clear that I did not imagine that he could feel any embarrassment upon the subject; and I read to him the engagement taken by the Porte. He should state this to M. Lesseps, and say that he would communicate his proposal to the different Governments for their consideration.

"Safvet Pasha asked, whether it would not be sufficient if the proposal was submitted to their foreign representatives at Constantinople?

"I said that such a course was altogether out of the question. I did not suppose that any Minister would consider himself authorized to sanction a new

charge being laid upon the ships of his nation, and that, for myself, at least, I could answer that I should not even express an opinion upon the merits of the proposal till it had been submitted to her Majesty's Government, and had received from them the careful examination which the important British interests involved rendered imperative.

"Safvet Pasha finally told me that I might assure your Lordship that you may feel confident that the Porte will not take any step contrary to the engagement entered into."

Yet the negotiator had assured the Sultan's Government also that he would withdraw all demands against it on the ground of the accumulating losses should this concession be made. To the English he held out hopes that the vexatious remeasurement should be abandoned: and finally, he graciously promised to accept the decision of the Commission itself. The folly of these proceedings was soon shown in the hostility of those who were before inclined to be friendly. Count Beust declared in plain language that no treaty for the acceptance of the ruling of the Commission was admissible; and a damaging letter from the Secretary of the Newcastle

Chamber of Commerce, pointing out the great and increasing prosperity of the Canal, was not without effect. As he justly said, a Company whose traffic for the year was over 2,000,000 tons, and whose twenty-pound shares were at a premium of 7*l.* 10*s.*, ought to be able to borrow the necessary funds. He also pointed out the curious fact that they had not complied with the condition of the Concession in making the Canal of the specified width. When, therefore, Duke Decazes addressed a circular to his agents pressing the interests of the Company, it was not surprising that Lord Derby should answer him in the most decided fashion. On June 4th, he wrote—

“ That ever since the 29th of April, 1874, when M. de Lesseps was forced to submit to the authority of the Porte, which decreed the levying of the maximum toll of 10 fr. per ton on the net tonnage, the Canal Company has *either evaded or defied* the execution of the recommendations of the Constantinople Commission, which were equally prescribed to it by the same authority. The Company has refused to admit the official papers of vessels using the Canal, and has insisted on remeasuring them, whilst it continues to send in periodical claims upon the Sublime

Porte for the losses which it professes to suffer by the new Tariff.

“M. C. de Lesseps has now offered to the Sublime Porte to give up these illegal measurements, and to cancel these imaginary claims, on consideration of receiving permission to levy a large sum upon shipping for maintenance and improvement of the Canal. He declared that they were not inclined to buy the submission of the Canal Company to the Sultan's authority, with the concession of its demands. Her Majesty's Government were actuated by no unfriendly feeling towards the Canal Company.” They recognised its importance, and were anxious to maintain and improve, but they were of opinion that no proposals on the part of M. de Lesseps should be entertained until the Company had loyally submitted to the authority of the Porte by strictly conforming itself to the recommendations of the Commission. When that submission should have been frankly made, they would be ready to consider in a friendly spirit any fair proposals for the improvement of the Canal, for raising funds for the purpose.* Nor was this all. The Khedive was no less firm, when the matter came

* “Parl. Papers, Egypt,” No. 2, 1876, p. 106.

before him. He told General Stanton, that "before consenting to the imposition of the additional tax he was of opinion that a careful and impartial inquiry should be made into the question of the working expenses of the Canal to see whether it might not be possible to effect an economy in these charges, and how far M. de Lesseps' estimate for the 'dépenses obligatoires' was to be depended upon; that competent and disinterested engineers, such, for instance, as Mr. Hawkshaw, should be consulted as to the urgency or necessity of the proposed extraordinary works, and that in the event of its being considered essential to undertake these works, and to procure the funds for their execution by extending the operation of the present surtax, or by imposing a further charge on shipping making use of the Canal, that the supervision of the work should be entrusted to a Special Commission independent of the Council of Administration of the Canal Company."* It was therefore clear that the Company by its unscrupulous proceedings had succeeded in inspiring universal distrust, and that its modest proposals were received with open suspicion and even disbelief.

* "Parl. Papers," *ibid.* 104, and also p. 113.

The scheme had in fact broken down, as the French Minister for Foreign Affairs clearly saw. He was deeply mortified at this fresh defeat, and in a discussion with Lord Lyons, in reference to Lord Derby's despatch, remarked sarcastically that "he did not know why M. de Lesseps should be called upon to make what would simply be a platonic declaration of submission." This was a stupid perversion of Lord Derby's remark, and really unworthy of a statesman, for Lord Derby had excluded the idea of anything platonic by describing the character of the submission, which was to be substantiated "by strictly conforming to the recommendations of the Commission."* The Duke also suggested that the consent of the Khedive was not necessary, an argument which Lord Derby demolished triumphantly in his despatch. From the Viceroy's formal opinion it would seem that, like the other Powers, he favoured the Company's proposals, but, subject to

* Lord Derby vindicated himself with some warmth against this perversion in his despatch to Lord Lyons of July 2, 1875: "Your Excellency," he wrote, "has given so complete an answer to M. Decazes' remark, that the condition demanded of M. de Lesseps was that he should make a platonic declaration of submission, that it is scarcely necessary to add anything to it."

conditions which would test their genuineness. As he was the immediate contracting power subject to the Sultan, this would be the first step ; then the Powers would be asked for their approbation.

Thus confronted with difficulties on all sides, the baffled Company abruptly recalled its envoy, and M. Charles de Lesseps returned to Paris. The French Ambassador wrote bitterly to his Chief at Paris, "J'ai eu l'honneur de vous faire connaître les réserves et les attermoiements que le Gouvernement Ottoman avait opposé," &c. The luckless Turkish Minister was still the scapegoat ; all that Duke Decazès could do was to indite another of his lengthy circulars, in which he invited his agents to consider the question "as provisionally adjourned." This statesman was as unsuccessful, though not so combative, as his predecessors De Broglie and De Rémusat. French diplomacy had, however, to count yet one more defeat.

No sooner had the Company's envoy departed, which was in July, 1875, than the inflexible English proceeded to press the Turks to enforce their authority, and that of the Commission, on the Company, "as they considered that the moment had arrived for insisting on the discontinuance of all irregular pro-

ceedings on the part of the Company, so that M. de Lesseps may perceive that the Maritime Powers are resolved not to let the adoption of the recommendations of the Constantinople Commission become a dead letter.* The Vizier characteristically announced to all the world, through Musurus Pasha, that "as the tonnage upon which, according to the recommendations of the Commission, the dues should be levied, has not been settled in an arbitrary or one-sided manner, but has received the common sanction of all the Powers assembled in Conference, your Excellency will understand that there can be no grounds for such protests.

"Consequently the Sublime Porte, with the sole object of preventing its silence from ever being construed as a tacit recognition of the legitimacy of such protests, has *resolved to declare* to the Suez Canal Company that it considers these protests, both in regard to their substance and their form, as entirely groundless, null, and void."

This was not much, and Nubar Pasha, the Khedive's Minister, seemed no less helpless. It was easy to give directions to the Company, but they

* "Parl. Papers," *supra*, p. 124.

simply ignored them. There was besides a protest ready to hand on the jurisdiction difficulty. It would seem that when, in pursuance of the orders of the Sultan and Khedive, a formal judicial notice was handed to the Company requiring them to follow the rules of the Commission, Nubar Pasha received this rather insolent reply from the "head agent of the Canal," dated October 14: "I have received the letter which your Excellency did me the honour to address to me on the 10th instant, relative to the transmission of judicial and other documents through the local authorities; I can only confirm on all points the letter which M. Lamarre had the honour to address during my absence on the 4th of July last to his Excellency the Governor of Suez, without entering into the discussion of the question itself, and will confine myself to reminding your Excellency that it had been agreed, that until the establishment of the new tribunals no modification should be introduced into former customs.

"Now the fact of transmitting judicial documents through local authorities, and compelling us to receive them, would certainly in my opinion be a breach of the *modus vivendi* which both parties had agreed to observe. I feel sure that these expla-

nations will be satisfactory to your Excellency," &c.

The Minister was not inclined to accept this tone of address. He denied the existence of any such agreement, and added :—

" But I think that such a theory fails of itself from the very fact of its impossibility, and that it is unnecessary to discuss it.

" I will confine myself therefore to stating that the refusal of the Company to receive judicial or other documents through the medium of the local authorities is an act of which the consequences will, legally speaking, fall upon the Company.

" As far as the Government is concerned, I deem it unnecessary to tell you *that the police will carry out all sentences* which the local tribunals may pronounce in default against the Canal Company."

Here was the old favourite *tracasserie* of the Company. They were a *French* body. But again the tenacious Lord Derby intervened with characteristic firmness and plain speech.

" SIR,—I now have to state to you," he wrote to the Egyptian Consul-General on December 11th, 1875, " that, in the opinion of her Majesty's Govern-

ment, the pretension of the Company to be considered a French Company, under the jurisdiction of the French Consulate, is entirely inadmissible, and opposed both to the letter and the spirit of the contract and Firman which regulate its relations with Egypt. Article XVI. of the Convention or contract of the 22nd of February, 1866, which is textually embodied in the Firman of the 19th of March, 1866, clearly establishes that the Suez Canal Company is Egyptian. It fixes the exceptional case of suits between members of the Company as subject to French law, and therefore to be tried in France; but it specifies unmistakably that all disputes in Egypt between the Company and the Egyptian Government, or between the Company and individuals, shall be judged by the local tribunals. The Company appear to set up the argument that, because the word 'treaties' is employed in Article XVI. of the Convention, by 'the local tribunals' is meant the French Consulates. Her Majesty's Government cannot, however, admit that this by any means follows.

"On the contrary, her Majesty's Government maintain that any suit between the Suez Canal Company—that is to say, an Egyptian Com-

pany—and Europeans, must be tried according to the treaties which regulate the relations of foreigners with the inhabitants of Egypt. When, in the following clause of the Convention, disputes between the Company and the Egyptian Government are provided for, it is noteworthy that no mention is made of treaties, but that only the laws of the country are spoken of, because in that case both parties to the suit would be Egyptian."

This was the conclusion of this chapter of intrigue, and as the question of the "purchase of the shares" immediately followed, it is to be presumed that the Company found it its interest to listen to reason and common sense. But the prospect is not encouraging for those who have become fellow shareholders with these masters in all the arts of shift and delay. It seems only too probable that where advantages are to be gained, or disputes arise, these are certain to be exerted with all the old vitality.

The really cheering feature in the whole is the admirable firmness and capability displayed by English diplomacy, the unquestionable influence it exerted on other Powers, and the series of victories it obtained. The French diplomacy has been shown

to be of the old, petty, narrow, and insincere school, and it accordingly met with deserved repulse on every occasion. To Lord Derby must certainly be awarded the praise of having acted with capability and even brilliancy, and he has given satisfactory earnest that in his hands the honour of this country is secure.

CHAPTER XIX.

PURCHASE OF THE SHARES BY ENGLAND.

ABOUT a year after the Canal was opened, it was notorious that the Canal Company was seriously pressed for money, and various rumours were abroad as to the probable fate of the undertaking. It was in the month of December, 1870, that the Khedive, who was at the time well embarked in the system of loans, speaking with Colonel Stanton, the English Consul-General, on the embarrassments of the Company, declared that the only way to make the Canal really serviceable for general navigation was that an English Company should obtain possession of it. Read by the light of the recent transaction, the meaning of this proposal would seem to be, that the Khedive wished to dispose of his shares. Lord Granville, when the conversation was reported, rather favoured the idea, consulted the Board of Trade, and desired that all the necessary information as to the state of the enterprise should be collected. The result of these

inquiries was, that the situation of the Company was desperate, and that it was on the verge of bankruptcy. Perhaps on this ground it seemed to the Board of Trade a suitable opportunity for securing a bargain.

However, when the matter was opened in April to De Lesseps by Sir Daniel Lange, his English agent, "he recoiled with aversion from the proposal, and declared that he would never be a party to the transfer of the management of the Canal into other than French hands;" yet he would not object to the introduction of a few English directors on the French board. This produced a cold letter from Lord Granville to Lange, in which it was stated that the English Government were "not prepared to give any opinion on the matter."

The next phase the matter assumed was a more developed one. In October De Lesseps proposed to the Khedive that the Canal should be purchased by the Governments of Europe, and be made international; a suggestion that the Khedive did not at all relish. It was heartily adopted by M. Thiers, and finally laid before the Porte, who in January peremptorily rejected the idea. This ultimatum was addressed to M. Musurus at London, and ran :

"January 10, 1872.

"Your Excellency will by this time have learnt the plan formed by M. de Lesseps for the sale of the Suez Canal to the European Powers and the creation of an International Administration.

"I have to day the honour to transmit to you herewith a copy of a letter and of its enclosures, which his Highness the Khedive has addressed to the Sublime Porte on this subject.

"I must, first of all, state to you, M. l'Ambassadeur, that the Sublime Porte could not admit, even in principle, the sale of the Canal or the creation of an International Administration on its own territory. On the other hand, M. de Lesseps, having only the concession of the undertaking, could never have the right of raising questions of such a nature. The Suez Canal Company is an Egyptian Company, and therefore subject to the laws and customs of the Empire. Moreover, M. de Lesseps in his contract engages not to modify the position of the Company in its relations towards the Imperial Government, and subordinates all new plans in connexion with his undertaking to the approval of the Imperial Government. Now I repeat that the Sublime Porte will never bring itself to agree to such a modification.

“As it is probable that M. de Lesseps will make overtures on this subject to the Cabinet of St. James’s, I beg your Excellency to take the first opportunity of expressing yourself categorically in the above sense to Lord Granville. On my side I have held the same language to his Excellency Sir H. Elliot.

“I have, &c.

(Signed)

“SERVER.”

Thus ended the first attempts at disposing of the Canal. To this scheme—a favourite one of Lord Derby’s—of making it an international enterprise; there would be always the inseparable objection so fairly stated in the above note. It would be impossible to give dominion over a narrow cutting of the kind, without the Lord of the soil sacrificing his territorial rights. As well might the owner of a fine house and demesne allow a right of way for carts and carriages across his lawn. If the latter were inclined to grant such a privilege to save a long circuit round, it would be a matter of courtesy and favour, and no ground for the neighbours forcing him to hand over the control of the road to them. In the case of the Khedive he could not with dignity allow of foreign control within his

dominions, and such control could only be effectual by actual possession of the territory itself.

The matter then slept till April, 1874, when in a conversation with the French Ambassador, Lord Derby threw out a curious hint as to his favourite view. "It is certain," he said to the Duc de la Rochefoucauld, "that in the present state of things, if the dues are levied to the profit of a nearly exclusively French Company, they are yet for the most part raised from English shipping." The feeling of this country with regard to the Suez Company is thus very naturally explained. "He then," adds the Envoy, "allowed me intentionally to guess his thoughts when he told me in the course of our interview, and from a purely personal point of view, that it would perhaps be desirable for the Maritime Powers to come to an understanding for the acquisition of the Canal. This hint, though expressed in very vague terms, struck me, because it completely corresponded to the feeling broached in all the English papers. By suggesting a plan which would honourably relieve the Company, Lord Derby only gave his personal opinion on a project betrayed in a certain portion of the press by the scarcely concealed hope of profiting by the ruin of the Company to buy the busi-

ness at a low price. I only noticed Lord Derby's hint in a way sufficient to show him that I understood it."

About a month latter the subject was renewed in a second conversation.

"You have been good enough," wrote the Ambassador, "to confirm the language which I held to the Principal Secretary of State in reply to his hints relative to the possible purchase of the enterprise. Assured of your assent, I seized the first opportunity of insisting anew on the necessity of putting aside from our consideration a hypothesis which in no way corresponds with the present state of things. Lord Derby made no objection, but placing himself at another point of view, he spoke to me of the danger of letting the entrance to the Canal silt up. He told me that the English engineers had some uneasiness on this point, and asked me to tell him what we ourselves thought of it. I did not fail to point out to him that the best way of preventing the silting up of the Canal was to procure the Company the means of maintaining and carrying on its works. I promised him, moreover, to inform you of the desire he had expressed to me. A question relative to the Suez affair will be put at the beginning of this week in the Upper House. It will, doubtless, afford the

Principal Secretary of State an opportunity of giving explanations."

In June accordingly, when the question was put, Lord Derby gave a cautious *exposé* of the question, no more than hinting his own views. He put aside the question of a general international purchase of the Canal on the ground that there was no sign of the vendors consenting, and he added—"There remains, it is true, the hypothesis of the Company itself offering the cession of its rights; but it seemed useless to examine such a proposition beforehand, and rather imprudent, when you want to buy a thing, to begin by declaring you cannot do without it. If a proposal to transfer the property in the Canal to an International Commission should be presented in such a manner that all the Governments shared in its advantages on equal terms, I do not say it would not be right to consider such a proposal, but it has not been made, and I have no ground for thinking that it is to be made." "On this," wrote the French Chargé d'Affaires to his Government, "as on several former occasions, Lord Derby simply repeated to the House the explanations he had already given in his private interview, and which the Embassy has reported to your Excellency. They show his whole idea

—respect, above all, of the Company's rights and property, but a desire that it should be induced to cede them voluntarily to an International Commission."

- We now pass on to November 15, 1875, when a rumour reached the English Government that a combination of French capitalists were offering to buy the Khedive's shares in the Canal, and that he was so pressed for money that he was likely to agree. A telegram was at once despatched to the Canal agent in Egypt to ascertain the truth of this rumour.

It turned out that the "Société Générale" and the Egyptian Bank were actually treating for a loan. Colonel Stanton at once sought Nubar Pasha, the First Minister, who admitted the truth of the story, though he said that it was not likely that the Pasha entertained the idea seriously. Still he was in desperate want of a sum of from three to four millions sterling. The Consul waited on the Khedive on November 16, at nine o'clock at night, and remonstrated with him on entertaining an offer of the kind without consulting the English Government. The Eastern replied that he had never thought seriously of the matter; then artfully asked, "had the Consul any proposal to make to him." On the following day the Consul again saw Nubar Pasha,

“when his Excellency appeared anxious to impress me with the urgency of the Khedive’s need of the sum of from 3,000,000*l.* to 4,000,000*l.* sterling, and with the fact that the sum was required by the 30th instant.” But the Minister added that he was apprehensive that should the loan be concluded there was fear lest the shares might never be redeemed, and be perhaps forfeited.

This was on the 17th, and on that day this interview was reported to the English Ministry in London, and the same evening at nine o’clock a telegram was received by the Consul at Cairo to the effect that England was prepared to negotiate for the shares. He at once proceeded to the palace with the news. No wonder the Khedive seemed pleased with the intimation, “and expressed his acknowledgments for the offer made by her Majesty’s Government. He renewed the assurance that at present he had no intention of disposing of his shares, but was obliged to accept the advance offered *en hypothèque*, to enable him to make arrangements for the larger operation of the conversion of his floating debt, adding that should he change his views as to the sale of his shares, he would immediately inform her Majesty’s Government, and give them the option of

purchase, as he would much prefer seeing these shares in the possession of her Majesty's Government than in any other hands.

"In the course of this afternoon Cherif Pasha called, and renewed the assurance that the Egyptian Government, which had every reason to look upon England as its most sincere friend, would infinitely prefer seeing the Egyptian interests in the Suez Canal transferred to her than to any other country ; and he further informed me, that immediately after my visit to his Highness last evening, Nubar Pasha had in his presence suggested to the Khedive that he should call on me, and give me further explanations as to the financial situation, but that his Highness had replied there was no occasion for his doing so, as he had himself explained the matter to me, and had afterwards instructed him (Cherif Pasha) to see me on the subject."

This holding back was of course all chicane on the part of the wily Eastern, and all these hesitations were truly Jewish.

But Lord Derby on his side was able to exhibit characteristic finesse. The French, who in all these transactions seem to have been but indifferently served by their agents, who were always late and

slow in acquiring information, had heard the rumour of the shares being likely to be acquired by a French Company, and in view of this *coup*, M. Gavard was enjoined to wait on Lord Derby to sound him as to his views on the matter. This diplomatist must have amused the English Minister, who contrived to mystify the French Envoy in a style worthy of the old school. Here is the latter's account of his interview :—

“ The French Chargé d’Affaires in London to the Minister for Foreign Affairs.

“ London, Nov. 20, 1875.

“ MONSIEUR LE DUC,—According to the instructions received from your Excellency, I profited by the interview which I had this morning with Lord Derby to pass from the financial difficulties of Turkey to those of Egypt. The Principal Secretary of State told me that the Khedive was trying to mortgage his shares in the Suez Canal with the Anglo-Egyptian Bank. I then asked him if the question had not also been raised of selling their shares to the Société Générale. ‘ I do not conceal from you,’ said he, ‘ that I should see serious inconvenience in such a course. You know what my opinion

is respecting the French Company. It has run all the risks of the enterprise ; all honour is due to it, and I would not dispute any of its claims to universal recognition. But, you see, we are most interested in the Canal, since we use it more than all other nations put together. The maintenance of this thoroughfare has become a capital question for us. I should be very glad to see the time come when it would be possible to largely buy out the shareholders and replace the Company by a kind of Administration or Syndicate in which all the Maritime Powers would be represented. In any case we will do our utmost not to let an undertaking on which our chief interests depend be monopolized by foreigners. The guarantee resulting from the control of the Porte is now no longer sufficient. If we lost that offered us by the participation of the Khedive we should be absolutely at the mercy of M. de Lesseps, to whom, however, I render all justice. The Company and the French shareholders already possess 110 millions out of the 200 which the capital of the shares represents. It is enough.' After some words on the subject of the Suez Canal Company, I reverted to the mortgage loan, of which Lord Derby had spoken to me. *He answered that*

he did not wish the Khedive to mortgage his shares, but that, after all, mortgaging them was not alienating them, and that they could always be recovered. In conclusion, he insisted on the bad effect which would be produced under present circumstances by the sale of the shares to a French Company, and at the same time on his desire to avoid reawakening old rivalries, which an action of this sort would be sure to provoke.

“GAVARD.”

Yet in all that Lord Derby said there were “broad hints” sufficient to give an inkling of the scheme that was in progress.*

* The French version of the conversation does not quite agree with Lord Derby's. In the latter it is stated that M. Gavard asked plainly—Would there be any objection to the purchase by a French Company, and the whole discussion turned on this view. “I told M. Gavard,” says Lord Derby, “that I would answer his question in the same frank way in which he had put it. We had to look to such safeguards as we actually possessed against the risk of the Canal being managed in a way detrimental to the general interest. Of these, the possession by the Khedive of a large interest in M. de Lesseps' Company was one. The two checks which we could bring most directly to bear upon M. de Lesseps and the administration of the Canal were the action of the Viceroy in the first place, and secondly, that of the Porte, as the Suzerain Power. Under present circumstances, it was impossible to foresee how far, in the future, the control of the Porte could be counted upon as

On the 23rd November the Khedive announced that he was willing to dispose of his 177,642 shares in the Canal to the English Government for a sum of 4,000,000*l.* General Stanton goes on with the story :—"On the morning of the 24th instant I lost no time in proceeding to the palace to inform his Highness of the acceptance of his offer to dispose of his Canal shares to her Majesty's Government. I was unable at that hour to see the Khedive ; but I informed the Minister of Finance, whom I saw in the presence of Nubar Pasha and of the Khedive's Garde des Sceaux, of the nature of the communication I had to make, and shortly afterwards received

efficacious. That of the Viceroy, therefore, became all the more important. *The Khedive, in parting with the shares which he now possessed in the Suez Canal Company, would, in my opinion, surrender an important means of influencing the measures taken by the Company and its staff, and as such we could not look upon such a transaction with indifference.* We should certainly be opposed to these shares falling into the hands of another French Company, so as to make the property in the Canal more French than it already was. To any arrangement for mortgaging the shares merely as a security for an advance, provided the Khedive had full power to redeem them at any moment by payment of the loan, the same objections possibly might not hold good." The *mot* to the enigma conveyed in the passage in italics was, of course, that in such a case the English were to take the place of the Pasha.

the assurance that the terms were agreed to. Being, however, anxious to prevent any misunderstanding on the subject, and also to prevent the possibility of any successful intrigue interfering with the arrangement, I told the Minister I would draw up an agreement for signature, specifying the terms of the engagement entered into." Then follows a characteristic trait :—" Before leaving the palace, however, Nubar Pasha had told me that he believed the number of shares in the Khedive's possession did not quite tally with the number specified by your Lordship, as a few of the shares had been disposed of in Paris some ten or twelve years since. I therefore left a blank in the agreement to be filled up when the actual number of shares in his Highness' possession should be ascertained; and when, shortly afterwards, the Minister of Finance informed me that the shares were 176,602 in number instead of 177,642, as specified by your Lordship, I provided that the value of the 1040 shares short of the last-named number should be deducted from the amount agreed to be paid by her Majesty's Government.

"I also, as your Lordship will perceive, stipulated that the five per cent. interest to be paid by the Egyptian Government to her Majesty's Govern-

ment until the coupons were liberated from the existing engagement with the Canal Company, should be charged on the revenues of Egypt, and the amount paid in London by equal half-yearly payments of 100,000*l.* on the 1st of June and 1st of December of each year.

“Yesterday morning the Egyptian Government sent me seven large cases containing the shares in question, which cases (having previously verified the fact that they contained Suez Canal shares) I caused to be fastened up and corded in my presence, and then sealed with the seals of the Egyptian Minister of Finance, her Majesty’s Agency and Consulate-General, and of the Consular Court for Cairo, leaving the verification of the numbers until I had received further instructions from your Lordship, and I gave the Egyptian Government a receipt for the seven cases, which are now deposited in her Majesty’s Consulate in this town, pending the receipt of instructions for their disposal.”

On the 25th the agreement was signed with the Khedive.* On the same day an arrangement was made with Messrs. Rothschild to find a million ster-

* See “Official Documents,”

ling by December 1st, and the remaining three millions in the months of January and February. They were to receive a commission of $2\frac{1}{2}$ per cent., also five per cent. till the whole was repaid by a vote of the English Parliament.*

On the 27th, after all these transactions had been concluded, the French Ambassador was despatched to wait on Lord Derby and obtain what information or satisfaction he could.

"I come from Lord Derby," he wrote to his chief, "to whom I expressed the desire which I felt for knowing from his own mouth what had decided England to buy the Khedive's shares in the Suez Company. This is the substance of Lord Derby's reply:—'It was only at the beginning of the week that we knew the intentions and need of the Khedive to sell his shares. My wish, and I expressed it, was that he should keep them. But, on the one hand, he had urgent need of obtaining resources for repayments which admitted of no delay, and, on the other hand, we knew that negotiations were going on between the Société Générale and the Egyptian Government for the acquisition of

* See "Official Documents."

those same shares. Therefore, we had either to allow the scrip to pass into other hands or to buy it ourselves. I can assure you that we have acted solely with the intention of preventing a larger foreign influence from preponderating in a matter so important to us. (We have the greatest consideration for M. de Lesseps. We acknowledge that, instead of opposing him in his great work, we should have done better to associate ourselves with him. I deny, on behalf of my colleagues and myself, any intention of predominating in the deliberations of the Company, or of abusing our recent acquisition to force its decisions. What we have done is purely defensive. I do not think, moreover, that the Government and English subjects are proprietors of the majority of shares. I said some time ago in the House of Lords that I would not oppose an arrangement which would place the Suez Canal under the management of an international syndicate. I will not propose this, but I in no way withdraw my words.'")*

* Again it must be said that the French diplomatists do not fully report the substance of their interviews. According to Lord Derby, the Ambassador declared that the act would have had less political significance if done through some Company, or otherwise

Some apprehensions might now reasonably be felt as to how the projector would accept the transaction, for he really seemed more of a "Power" to be confronted than the nation to which he belonged. Every one was relieved to find that he accepted the new shareholders graciously, and he ingeniously put the reception on the ground that at the formation of the Company, he had set apart "an important share in the subscriptions" for the English, which they did not then think proper to accept.

"At that period France and Egypt rendered the cutting of the Canal feasible by their contributions. The shares were almost entirely taken up by the French public and the Egyptian Government.

not directly in the name of the State—a shrewd observation in its way. To which Lord Derby replied, it was not in the power of the British Government to act as Continental Governments can do—through third parties, banks, financial companies, or the like. "What they do, they must do openly and in their own name, so that Parliament may be enabled to judge of the whole transaction. Again the Ambassador made another sensible objection, that some fear would be felt that the Khedive might be unable to pay his promised 200,000*l.* a year, and that in consequence this country would use some means to coerce him, which would practically establish English authority in Egypt. I assured him that nothing was further from our thoughts; that her Majesty's Government desired that the passage through Egypt should be free for this country, as for the rest of the world, and desired nothing more."

“The British Government, which had no financial interest in the success of the undertaking, placed many difficulties in the way of its completion, and until quite lately the intervention of English agents had an injurious effect upon the private interests of Egyptian and French shareholders.

“The English nation now accepts that share in the Canal Company which had been loyally reserved to her from the outset; and if this action is to have any effect, that effect, in my opinion, can only be the abandonment by the British Government of the long-standing attitude of hostility towards the interests of the original shareholders of the Maritime Canal, whose perseverance has been at once so active and so well directed.

“I therefore look upon the close community of interests about to be established between French and English capital, for the purely industrial and necessarily peaceful working of the Universal Maritime Canal, as a most fortunate occurrence.

“I shall feel obliged if you will communicate the contents of this letter to such of our shareholders as may apply to you for my opinion on the subject.”

This is quite in keeping with the haughty and almost sovereign-like tone which he assumed from

the very beginning ; and here may be suggested one of the many elements which the hasty character of the purchase prevented the investigation of—viz., the impossibility of attempting to control a man of such spirit and determination. This inconvenience, however, in the nature of things could not be for long.

The character of the impecunious Khedive was now to be illustrated in a singular way. Within two days of the signing of the agreement it occurred to him that he might extract a further sum from the rich English.

“His Highness mentioned to me,” wrote Colonel Stanton, “that offers were being made to him for the purchase of the right of the Egyptian Government to the 15 per cent. of the net revenue of the Suez Canal, specified in the Act of Concession granted to that Company, and his Highness begged me to mention the matter to your Lordship, in the belief that it might perhaps suit her Majesty’s Government to become the possessors of this right, in addition to the shares just purchased, as it would, in his opinion, carry with it a greater power of control over the Company than the possession of the shares would entail.”

“The Khedive added that overtures on the sub-
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ject of disposing of this right were made to him during the last winter, when he was informed that a sum of between 30,000,000 and 40,000,000 francs might be obtained by him on this property ; that he had then declined to consider the proposal, but that under existing circumstances he was disposed to agree to an arrangement of that nature.

“ I told his Highness that I could give no opinion as to what the views of her Majesty's Government might be on the subject, that the transaction, although doubtless of considerable importance, appeared to me rather too much in the nature of a financial speculation to be likely to be favourably considered ; but I undertook to lay the matter before your Lordship.

“ To-day both Nubar and Cherif Pashas have spoken to me on the subject, and the latter especially endeavoured to impress me with the importance of the matter.”

Lord Derby in the meantime had heard that the French Government were inclined to make this purchase, no doubt as a *contre coup*. It was not bad *tactique*, writing to inform the French Ambassador of the offer just made, and of his disinclination to

entertain it. On December 6th the offer was declined in these stern terms :—

“You will remind his Highness, in courteous terms, that the 5 per cent. interest on the purchase money of the Suez Canal shares so long as the interest on the coupons remains hypothecated, which has been guaranteed to her Majesty’s Government on the revenues of Egypt, as provided in the contract signed by you on the 25th ultimo, forms a primary charge on the revenues of Egypt. You will, moreover, explain that her Majesty’s Government would regard as a violation of the Firman of the Porte, and as inconsistent with the integrity of the Ottoman Empire, any act of the Khedive dispossessing himself in any manner of the control over the Suez Canal, which has been secured to his Highness by the Company’s Concessions and Statutes, and which has been confirmed by the Porte. Her Majesty’s Government must not be understood as acquiescing in such a course, although, on the present occasion, they do not raise objection to the proposed sale of the Khedive’s right to 15 per cent. on the net profits of the Canal.”

Here were the symptoms of embarrassment. It

was seen that there was no special security provided for the interest ; but this defect could not be cured by a reminder that it formed " a primary charge ;" there being nothing of the kind expressed in the bond. More mysterious still is the warning to the Khedive not to dispossess himself of his control over the Canal. This, of course, could not refer to the sale of the 15 per cent., as to that they did not raise objection, nor to the international arrangement which Lord Derby favoured. It must have been, therefore, some scheme proposed by the French for obtaining the control of the Canal.

When the Consul waited on the Khedive to inform him that his offers were declined, and to give this warning, he very naturally replied that the sale of this right was purely a financial transaction, which could not in any way diminish the power of control over the Canal secured to him by the Concession. As Mr. Cave was coming out to put his finances in order, the Khedive was further warned that he had better not enter into transactions of the kind until the investigation was concluded. The Khedive very good humouredly assented to this reasoning, and gave the promise required.

It might seem unreasonable that after having

made so large a purchase themselves, the English should object to a sale of a smaller amount to another country. But it turned out that this offer came from De Lesseps and the Company, and this seemed something approaching an emancipation from the control of the Khedive. Lord Derby was consistent, as he told the French Ambassador the design of the purchase had been to prevent the shares getting into French hands. But the answer of the Khedive was well-founded, and the distinction goes to the root of the whole character of the English purchase. It should be kept in mind that the taking of shares by that potentate was not an essential element in the original formation of the Company, and it amounted to little more than a sign of friendly co-operation and a hope of profits; just as an influential landowner takes shares in a railway passing through his property. The real interest of the Khedive is indissoluble from his rights as a Sovereign over the country through which the Canal passes; his rights are the same as those he has over the Railway from Alexandria to Suez. These rights it will be impossible to defeat in any way. No international arrangement, no ingenuity therefore, can give the new purchasers any

higher status than that of ordinary shareholders in the Canal, who in case of any grievance cannot invoke the interference of Government, but must proceed before tribunals, and according to the forms provided for ordinary shareholders. This is necessary to be borne in view, as there is an impression abroad that some kind of hazy Sovereign rights have been obtained. In this view also it should be remembered that the Porte asserts, and has always asserted, its supremacy, and insisted on the distinction between the political rights associated with the Canal which it reserved to itself, and the purely commercial ones. It was idle therefore warning the Khedive against divesting himself of the control of the undertaking. As it was, the Porte on hearing of the transaction, sent to demand an explanation, which was furnished :—

“Your Highness is aware that at the time of the constitution of the Canal Company part of the shares were subscribed by the Egyptian Treasury. Up to the present time these shares have never been in any respect or in any manner of the slightest use to the Government, and were, to my great regret, a heavy burthen upon the Treasury. Certain

bankers made proposals for the purchase of these shares ; while this sale was being negotiated, the English Government manifested the wish to acquire them on much more advantageous terms, and as these shares are similar to the shares of other companies which are bought and sold daily, the Egyptian Government has sold them to the English Government, and has thus made a profit on the shares, which were their property, and, as has been said above, were never of any use to them. It is thus that the transaction took place."

By the rest of Europe the purchase was received favourably, Prince Bismarck being expressly complimentary in his congratulations. On Jan. 1, 1876, four zinc cases containing the shares were unshipped from the *Malabar*, and deposited in the Bank of England "to the orders of the Chancellor of the Exchequer and Baron Rothschild," and thus the English Government became a shareholder in the Suez Canal.

Little more remains to be told. The transaction was vehemently discussed by the country, objections of every possible kind were raised. The sense of the nation was unmistakably that the act was

spirited, valuable as a significant hint to show that the nation was ready to protect its Indian interests. On a calm examination of the whole more than this cannot be looked for, and indeed more is not expected. There is an almost certain prospect of secure interest for the outlay, and there is an undercurrent of belief that the shares will somehow secure the right of passage to India. But in this view the ownership of the shares is simply surplusage, as the right of way to India would have been claimed and asserted on broader and higher grounds. Were there any attempt at barring the passage, the plea of owning nearly 200,000 shares would not be the one that would be listened to, nor indeed be the one that England would put forward. By the terms of the Concession it must be borne in mind that it is to be kept open for all nations so long as the toll is paid.

But there is another view not to be lost sight of. The Canal has been allowed to fall into disrepair, and the entrance at Port Said, which is the vital point of the whole, seems to be in a critical state.* Great sums will have to be expended on

* The following is Lieutenant Millard's "Report," before alluded to, and made a twelvemonth ago :—

"The western breakwater having so far subsided as to be only

thorough and substantial repairs. These England may have to supply or guarantee, and thus acquire a fresh stake in the Canal. But besides this there will be a gravitation almost irresistible towards the control

just above water, and in many places covered, necessitated the speedy removal of the same, to effect which a canal was dredged on its eastern edge to a depth of 11 and 12 feet, to admit of the floating crane approaching close to it for placing the line of double blocks of concrete. That part of the west breakwater which has been extended 300 metres during the last twenty months, was, on the 25th of January, 1875, above water, but each successive gale caused it to sink considerably. On the 26th of March parts of it were awash, and others submerged for 3 and 4 feet.

“During westerly gales, when the whole volume of the waters to the depth of 27 feet is in violent commotion, and seething waves heap one on another towards the head of the bight near the high lighthouse, producing a sea in state of ebullition, occasionally relieved by rollers more heavy and intense than others rushing over the sand flats and into the Canal, taking large quantities of sand in their course; it is under these circumstances the open work of the breakwater, caused by the 12 feet canal before alluded to, plays its beneficial part by permitting the seas to burst through the sinuosities of the concrete blocks, and relieving in great part the current, for if the whole length of the breakwater had on its inner side a solid backing, the destructive under-scour and consequent undermining would probably cause the annihilation of the whole structure; as it is, a very serious and pernicious under-current does take place. The chart of Port Said shows a cutting of 35 feet, extending 300 yards from the extreme of the breakwater, and on the line of its direction, and the effect of this under-current can be traced for some considerable distance, throwing off

of England, for this channel is but a section of the great road to India, which is virtually under the control of this country. Gibraltar, Aden, Perim—all these are halting-places on foreign ground, and the result may be as in the case of some obscure small link of railway which is almost forcibly absorbed by the greater lines that touch it.

Lord Derby, in all the discussions, took a homely, practical view of the matter. He declared, as he did to the French Ambassador, that the step was simply defensive, and to prevent France having too strong an interest in the Canal. "There was no deep-laid scheme," he said at Edinburgh, "in the matter. We have stated what we want and why we want it, and Europe is accustomed to believe what

the sand and mud taken with it to the right and left, the latter being more determined in its bank-forming aspect through meeting with opposing elements ; the former, or to the eastward, is more uniform (though no less an evil), from having the rolling seas and current favourable for further dispersion.

"The heavy seas that wash along the coast flooding the flat sands adjacent to the towns (even to surrounding the houses near the English Consulate), send into the Canal between the high lighthouse and the Pratique Office large quantities of sand, which are held in suspension until thrown down in the harbour."

we say." This declaration reduces the grounds of purchase to a low level. For in this view it might have failed, since it has been shown that the Khedive was on the point of parting with his remaining shares to the French, thus reducing the value of the counterpoise. These shares are certain to be in the market, and, speculative as they are, ought to be secured by this country. On February 14th Parliament met, when the Chancellor of the Exchequer, Sir Stafford Northcote, submitted the proceeding for the approbation of the House in a long statement, but an adjournment was pressed for on the ground that all the reports, &c., were not before the House. These were promised, and on February 21st the debate was resumed, it being understood that an attack was to be made on the purchase, based on the material furnished by these papers. Mr. Lowe and Mr. Gladstone led the attack, but their speeches were ineffective, and, Mr. Lowe's particularly, unworthy of the question; his arguments turning on matters of petty detail, the large percentage allowed to the bankers, &c., being led to make the unfortunate allusion that in settling the Alabama indemnity he paid a far less commission.

The result was that the vote was agreed to without a division.*

* Within a few days Mr. Gladstone issued what he styled "a syllabus" of questions or objections. After asking whether there was any precedent of such an arrangement being made with a private firm, and whether they could deny that large speculations had not been made in Egyptian stocks in consequence, he proceeds :—

"3. On what principle was fixed the sum of $2\frac{1}{2}$ per cent. together with the accruing interest at 5 per cent., which was granted to Messrs. Rothschild, and which amounted probably to a rate of not less than 15 per cent. per annum on the money given for the shares ?

"4. Do her Majesty's Government believe that neither the Bank of England nor any other commercial house would have transacted the business at a lower charge ?

"5. What were the new evils which the Government apprehended would follow from the acquisition of the shares by a foreign or French company ?

"6. When the Khedive proposed a temporary advance, instead of a sale, was it impossible to make a more limited and temporary arrangement on this basis, and why was it set aside to substitute the plan of purchase ?

"7. Would it not have had the effect of presenting the matter to the more free judgment of Parliament, and of enabling the Government to make overtures during the interval for the international arrangement which they have declared to be so desirable ?

"8. What reasons have led the Government to commit Parliament and the country to this large expenditure, and yet to refuse to take further measures which were proposed by the Khedive, with the assurance that they would thereby acquire a more real and effective control over the Canal ?

"9. What is the distinction between our shares, which can have no dividend for 19 years, and the 15 per cent. shares, which are

As these closing lines are written, we hear of harmonious arrangements between the projector of the

likely to obtain it at a very much earlier date, that makes the present transaction fit and safe, and the rejected one unfit because speculative (see "Papers," I. 14) ?

" 10. Can the Government assure us there is no risk or expectation that they will have to enter into further transactions and fresh outlay, as necessary consequences of the present purchase ?

" 11. Can the object of the purchase, declared by the Foreign Minister to be additional security for the passage to India, be obtained in any other way than by effective control over the Canal ?

" 12. Can that effective control be had by action within the Company itself, except either by a preponderance of votes or by an identity of interests with the mass of the shareholders ?

" 13. As we have only ten votes, and those disputed, in the face of many hundreds or some thousands, have we that identity of interests ?

" 14. Is not the interests of the shareholders generally for the next 19 years in profits and in dividends, and is not the interest of her Majesty's Government, on the contrary, in liberal expenditure and in improvements, without any reference to dividends or profits ?

" 15. Is there not a risk that when our representatives on the Council plead for more liberal management and larger improvements, the answer will be ' Yes, but not at our expense ; you shall have them if you will pay for them ?'

" 16. If for these ends we are to enter into unremunerative outlay, will not the upshot be that we shall come to subsidize a particular portion of our trade at the expense of the general taxpayer of the country ?

" 17. Whereas we had a complete identity of interest with the other Maritime Powers, and led and represented them in all trans-

Canal and the English representative, Colonel Stokes, his old determined foe and victor in the

actions, and were thus able to enforce through the local Governments their just demands upon the Company, what security have we for still enjoying their support and confidence now that we have established an interest separate from theirs?

“ 18. What assurance have the Government, after all that has been said of the political intentions and character of the measure, that we shall not be open to the suspicion of having views of territorial aggression, and that we may not lose much of the influence and moral strength which hitherto have attached to our position?

“ 19. Has the Government well considered whether they give by this measure a handle to any State having hostile views to work against us in the East through the Egyptian or the Turkish authorities?

“ 20. As our right to the possession of ten votes has not been established, if it should be contested, will it have to be decided by a suit between the Queen and the Company in a French court of justice, or in what other manner?

“ 21. Whether the four millions form, as stated by the Foreign Secretary (“ Papers,” I. 16), ‘a primary charge on the revenues of Egypt,’ or, as in the contract signed for us by General Stanton, ‘shall be charged on the revenues of Egypt?’

“ 22. If the charge is not preferential, what is our security for the payment of the 5 per cent. interest on the four millions?

“ 23. Is it the same as that of the other creditors of Egypt?

“ 24. If so, have the Government confidence that Egypt is likely during the next twenty years to meet its engagements?

“ 25. If so, is that the opinion of the investing public, as indicated by the market prices of Egyptian securities?

“ 26. What will be the position of a future Chancellor of the Exchequer pressing for payment of his dividend if the Khedive

tonnage dispute. The debated surtax has been equitably settled. So far all promises well. Long may our PROJECTOR, whose romantic career we have now followed for twenty years, have strength and spirit to carry on his struggle with persevering opponents, and with the winds and shifting sands of Port Said.

shall reply, 'Examine my books and my Treasury; you will find that I am able to pay you, but only by withholding in whole or part the payment due on the 1st of next month to a creditor whose contract with me bears an earlier date.'

"27. If the Khedive be inconveniently pressed by us for payment, will this tend to promote our influence in Egypt, and what will his position be should he in such circumstances receive overtures of support, and for arrangements of mutual benefit, from any other Power?"

These questions may be fairly taken to summarize the popular objections to the scheme.

APPENDIX.

OFFICIAL DOCUMENTS.

1. *The Tonnage Dues.*

(Précis of the Question by Lord Tenterden, C.B., Under Secretary of State for Foreign Affairs.)

THE Suez Canal Company was constituted in 1854, but the Canal was not opened until the 17th of November, 1869.

The due of 10 fr. a ton to which the Company was entitled was then levied on the net register tonnage, as shown by the ship's papers.

The tonnage of vessels is measured in England by a system known as the Moorsom system, which consists in ascertaining, according to certain rules, the whole contents of the hull and permanent erections, and dividing the total cubic feet thus arrived at by 100. The result gives the total *gross tonnage*.

From this *gross tonnage* various deductions are made for engine space, &c., and the result gives the *net register tonnage*.

The whole question of tonnage measurement in England and foreign countries is explained in the instructions given to the British Delegates in 1873.*

On the 4th of March, 1872, the Company adopted the following resolution :—

* "Parl. Papers," 1874, p. 77.

" 1. A partir du 1 juillet, 1872, la Compagnie Universelle du Canal Maritime de Suez percevra le droit spécial de navigation de 10 fr. par tonne *sur la capacité réelle* des navires ; 2, *le gross tonnage ou tonnage brut, inscrit sur les papiers de bord de navires, d'après la méthode Anglaise actuellement en usage, servira de base à cette perception* ; 3, les navires de toutes nations dont les papiers de bord n'indiquent pas ce tonnage établi d'après la méthode ci-dessus, y seront ramenés au moyen du *barème* le plus récent de la Commission Internationale du Bas-Danube, rectifié ou complété au besoin ; 4, les bâtiments qui n'auraient pas de papiers de bord ou n'en auraient que d'incomplets, seront jaugés par les Agents de la Compagnie d'après les règles actuellement en usage, en Angleterre, pour mesurer les navires chargés ; 5, tous les espaces couverts à demeure ou provisoirement, qui ne seraient pas compris dans le tonnage officiel du navire, seront jaugés par les Agents de la Compagnie, *suivant la règle actuellement en usage en Angleterre, le tonnage obtenu sera soumis à la taxe*. Tout en adoptant comme base de la perception de ces droits le tonnage résultant du mode de mesurage, d'après la méthode susindiquée, la Compagnie du Canal Maritime de Suez ne renonce pas pour l'avenir à l'application de tel mode de jauge qui se présenterait avec des avantages de précision supérieurs à ceux du mode actuel."*

It will be observed that in this resolution the Company construed the words "ton of capacity" in the Concession to mean "real capacity" of the ship.

This "real capacity" the Company declared to have been ascertained, by a Commission of their own appointment, to be greatly in excess of the net register tonnage. By a curious calculation, they reckoned that the English

* "Parl. Papers," pp. 73, 74, and 75.

gross tonnage was not fully measured, and that 30 per cent. on an average should be added to it. They then allowed 25 per cent. deduction for engine space, &c. The result was, in practice, to levy the dues on the entire *gross* tonnage, as shown in the ship's papers, with the effect of raising the dues about 30 per cent.*

* * * * *

The Commission met on the 16th of October, 1873. The Reports of the British Commissioners occupy pages 84 to 122 of the Correspondence presented to Parliament in 1874, and pages 106 to 120 of the Yellow Book.

The *procès-verbaux* are annexed *in extenso* to the 1874 Correspondence.

The general effect of these Reports is to show that the views of the British Delegates, explained in a very masterly manner by Colonel Stokes, prevailed with the majority throughout.

The French Delegates wished the Commission to enter into a general discussion upon utilizable tonnage, and finding that the majority refused to follow them, and were determined on adopting the Moorsom system of measurement, they declared they must retire, and did, in fact, abstain from voting at one meeting, being joined in their secession by their Russian colleagues.

It would not be possible to give an accurate abstract of this Report (published at p. 327 of the 1874 Correspondence) within the compass of a *précis*, nor would such an abstract be of any practical utility without an explanation of technical details.

The purport of the Report was that the Moorsom system was the correct system of measurement.

* "Parl. Papers," pp. 73, 74, and 75.

That every ship's papers should contain a certificate giving the gross and net tonnage.

That this certificate should be accepted in every country as the basis for the payment of all dues and charges, which are to be levied on the net tonnage.

Rules are then given for the deductions to be made from the gross tonnage to constitute this net tonnage: special regulations being provided for vessels having shifting bunkers which may be measured according to the rules in force on the Danube.

Provisional certificates of net tonnage may be issued by the competent authorities of the several countries, pending the establishment of a general system of measurement.

Surtax granted to the Company.

The Commission then recommends that a temporary surtax be allowed to the Company and that the Canal dues shall be levied on the following scale :—

In addition to the 10 fr. per ton which the Company are entitled to levy, they shall be permitted to charge a surtax of 4 fr. a ton on the net register tonnage of vessels measured according to Section (a) of Clause 23 of the British Merchant Shipping Act of 1854.

The surtax to be reduced to 3 fr. per ton on vessels provided with the certificate of net tonnage measurement recommended by the Commission.

Vessels already measured according to this system and those measured according to Section (b) of the 23rd Clause of the 1854 Act to pay 3 fr., on condition that the deductions for net tonnage do not exceed 50 per cent.

Vessels not measured according to the Moorsom system to have their tonnage reduced by calculation to the scale of the Danube and to pay a surtax of 4 fr. per ton.

The surtax of 3 fr. per ton to be reduced in the following proportions :—

To 2½ fr. per ton as soon as the net tonnage passing through the Canal in a year reaches 2,100,000.

To 2 fr. when it reaches 2,200,000.

2. PROTEST OF M. DE LESSEPS.

Protestation de M. Ferdinand de Lesseps, Président-directeur de la Compagnie, adressée le 26 avril, 1874, à S.A. le Prince héritier Mohamed Tewfick Pacha, au Caire pour être signifiée à Constantinople.

Un contrat ne peut être modifié que par l'accord des parties contractantes. Si l'une des parties veut arbitrairement imposer sa volonté contre les termes de la convention, il y a violation de contrat.

L'article 17 du contrat public passé entre le gouvernement égyptien et la Compagnie du Canal de Suez, contrat ratifié par firman de la puissance suzeraine, avait donné lieu, de la part de tiers non intervenus au contrat, à des contestations judiciaires ; ces tiers ont été déboutés de leurs demandes et condamnés par deux hautes cours de justice.

Des gouvernements étrangers, sans autorité ni compétence dans l'espèce, sont intervenus diplomatiquement auprès de la puissance suzeraine.

Le Président de la Compagnie de Suez, après renvoi de la question d'Alexandrie à Constantinople, négocia auprès de la Porte ottomane, demandant que les tiers plaignants vinssent porter leurs réclamations devant un tribunal judiciaire ou administratif, constitué de manière à établir un débat contradictoire.

L'ambassadeur d'Angleterre s'étant opposé à ce que l'affaire fût examinée par le conseil d'Etat, attendu qu'aucun

sujet britannique ne se présentait comme plaignant contre la Compagnie, le Président-Directeur, après un séjour de cinq mois à Constantinople, protesta contre toute immixtion diplomatique étrangère.

Peu de temps après, la Porte ottomane rendit une décision interprétative de l'article 17, conforme aux droits de la Compagnie, qui se déclara satisfaite.

Mais l'ambassadeur d'Angleterre, secondé par deux de ses collègues étrangers, exigea la formation d'une commission internationale, dont la mission primitive, indiquée dans des instructions très-justes et très-sages de la Porte ottomane, était de déterminer un tonnage universel en rapport avec la capacité utilisable des navires.

Cette commission, où plusieurs Etats ne furent point représentés, particulièrement les Etats-Unis d'Amérique dont la navigation est égale à celle de l'Angleterre, et à laquelle ne furent point convoqués des délégués des parties contractantes, ne se borna pas à adopter un tonnage dont l'inexactitude est mathématiquement démontrée, mais elle émit l'avis d'en imposer l'application à la Compagnie du Canal de Suez. L'ambassadeur d'Angleterre se chargea de convertir l'avis en obligation.

Le Président-Directeur de la Compagnie, prenant en considération la pression diplomatique exercée sur la Porte, se montra disposé à soumettre à l'assemblée générale des Actionnaires un projet de transaction qui semblait devoir donner satisfaction à des exigences injustifiables en droit, en même temps qu'il sauvegardait dans une juste mesure les intérêts respectables des actionnaires du Canal.

Les propositions de transaction furent repoussées par une sommation ordonnant au Khédive d'Egypte d'employer la force pour contraindre la Compagnie.

Le Président, en protestant énergiquement, répondit dans les termes suivants :—“ La Compagnie financière du Canal de Suez, n'ayant par elle-même d'autre force que son droit, et désirant éviter un conflit qui serait fâcheux pour tout le monde, se voit obligée de se soumettre provisoirement ; mais elle constate la violation d'un contrat public formellement établi par l'article 17 de son acte de concession.”

Il se contenta ensuite de demander que, pour l'application de la taxe illégale contre laquelle il protestait, les formalités statutaires fussent observées, afin que la Compagnie pût se conformer aux obligations suivantes de son acte de concession :—

“ La Compagnie pourra modifier ses tarifs à toute époque, sous la condition expresse de publier les tarifs trois mois avant la mise en vigueur, dans les capitales et les principaux ports des pays intéressés.”

Un télégramme de la Porte, en date du 7 avril, adressé au Khédivé, repoussa tout délai légal pour la publication du tarif imposé.

Le Président répondit qu'il opposerait une résistance absolue à la violation d'un contrat bilatéral, accepté et accompli par 40,000 actionnaires français, et il ajouta :—“ En l'absence de tout plaignant responsable et de toute sentence ou jugement, ni la Porte, ni les Puissances n'ont aucun droit de s'immiscer dans nos affaires, lorsque nous observons strictement les termes de notre contrat. Je prends mes dispositions pour réunir dans les délais voulus par notre loi, l'assemblée générale des actionnaires auxquels la question actuelle sera présentée intacte avec le maintien de tous leurs droits.”

Une communication de S.A. le Khédivé, en date du 25 avril, informa le Président-Directeur que la Porte ottomane,

maintenant le délai fixé au 29 avril pour l'application de la décision relative au tarif, lui ordonnait d'obtenir ce résultat en usant de tous les moyens, même de la force, et de prendre au besoin possession du Canal, au lieu et place de la Compagnie.

Le soussigné, Président-Directeur du Canal de Suez, reconnaît que le Khédive d'Egypte a été obligé d'appuyer par une force militaire, qui est déjà rendue sur les lieux, les sommations de la Porte.

Considérant que l'attentat, provoqué par une coalition étrangère contre le droit public et privé, est arrivé à une extrémité qui n'admet pas, de la part d'une Société financière, une résistance matérielle ;

Que la suspension de la navigation dans le Canal de Suez, conséquence forcée d'une occupation militaire, serait un véritable désastre pour le commerce du monde ;

A donné l'ordre au service du transit de la Compagnie d'appliquer, à partir du 29 avril, le tarif du droit spécial de navigation avec la surtaxe, tel qu'il a été imposé par la Porte ottomane.

Et en conséquence, il proteste contre une décision arbitraire et illégale dont la Compagnie se réserve de demander la modification par tous moyens légaux, maintenant toujours, comme elle l'a fait jusqu'à présent, les droits de ses actionnaires dans les conditions du contrat du 5 janvier, 1856, ratifié par S.M.I. le Sultan.

Fait au Caire, le 26 avril, 1874.

FERD. DE LESSEPS.

3. *Agreement entered into this 25th day of November, in the year of our Lord 1875, between Major-General Edward Stanton, C.B., her Britannic Majesty's Agent and Consul-General in Egypt, acting on behalf of her Britannic Majesty's Government, on the one part, and his Excellency Ismail Sadek Pasha, Egyptian Minister of Finance, acting on behalf of his Highness the Khedive of Egypt, on the other part.*

Whereas his Highness the Khedive has proposed to sell to her Britannic Majesty's Government the whole of his shares in the Suez Canal Company, and whereas her Britannic Majesty's Government has proposed to purchase from his Highness the Khedive 177,642 shares in the said Suez Canal Company, for the sum of 4000,000*l.* sterling.

Now it is hereby witnessed that his Highness the Khedive agrees to sell to her Britannic Majesty's Government the whole of his shares in the Suez Canal Company, being to the number of 176,602 shares, not, as supposed by her Britannic Majesty's Government, 177,642 shares; and her Britannic Majesty's Government agrees to purchase the same for the sum of 4,000,000*l.* sterling, less the proportionate value of the 1040 shares, the difference between 177,642 and 176,602, and her Britannic Majesty's Government agrees to recommend to Parliament to sanction the contract.

Her Britannic Majesty's Government undertakes that on the 1st of December next, on the deposit of the shares in the hands of her Majesty's Agent and Consul-General in Egypt, the sum of 1,000,000*l.* sterling shall be held at the disposal of the Egyptian Government, in the hands of Messrs. N. de Rothschild and Sons of London; and that the remaining 3,000,000*l.* sterling, less the amount to be de-

ducted for the value of the 1040 shares above mentioned, shall be provided in the months of December and January next, as may be arranged between the Egyptian Government and Messrs. Rothschild and Sons.

The Egyptian Government undertakes to pay to her Britannic Majesty's Government interest at the rate of 5 per cent. per annum on the whole amount of the purchase money of the said 176,602 shares, in equal half-yearly payments,—the said payments to be made in London on the 1st of June and the 1st of December in each year, until such time as the coupons of the said shares shall be liberated from the engagement now existing with the Suez Canal Company; and the Egyptian Government further engages that the amount of the said interest shall be charged on the revenues of the country.

(Signed) EDWARD STANTON.

(Sealed) ISMAIL SADEK.



Seal of Ismail Pasha, legalized by Nubar Pasha.

4. *Messrs. de Rothschild to the Chancellor of the Exchequer.*

New Court, November 25th, 1875.

SIR,—We have the honour to acknowledge the receipt of a letter from the Secretary of the Treasury, in which are stated the conditions upon which we are willing to undertake the operations to which the said letter refers, and in answer to which we beg to state that the said conditions are in accordance with our verbal agreement—namely :

As soon as we receive the orders from the Lords Commissioners of her Majesty's Treasury, we shall be prepared

to hold at the disposal of the Egyptian Government the sum of 4,000,000*l.* (four millions sterling) ; 1,000,000*l.* (one million sterling) to be at the disposal of the Egyptian Government on the 1st December and the remaining 3,000,000*l.* (three millions sterling) during the months of December and January, in such manner as may be arranged between the Egyptian Government and ourselves.

It is also understood that we are to charge her Majesty's Government a commission of $2\frac{1}{2}$ (two and one-half per cent.) upon the 4,000,000*l.* (four millions sterling) and 5 per cent. (five per cent. per annum) interest until the date of repayment.

This advance is also made on the distinct understanding that her Majesty's Government will, as soon as practicable, apply to Parliament for a grant of money to enable her Majesty's Government to repay the said advance.

We have, &c.

(Signed) A. M. ROTHSCHILD & CO.

5. *Regulations for the Navigation of the Suez Canal.**

(Under Act of Concession, Jan. 1856. Arts. 14 & 17.)

Art. 14. We hereby solemnly declare for ourselves, and for our successors, under reserve of ratification by H.I.M. the Sultan, that the Great Maritime Canal from Suez to Pelusium and ports of dependence, are henceforth and for ever opened as neutral passages to any merchant vessel crossing from sea to sea without any distinction,

* These regulations are to come into force on and after the 1st July, 1872 ; the regulations published the 1st February, 1870, and the 17th August, 1869, are hereby annulled.

exclusion, or preference whatever for persons or nationalities against the payment of dues and execution of regulations established by the said Universal Company granted for the working of said Canal and its dependencies.

Art. 17. To indemnify the Company for the expenses of construction, maintenance, and working devolving upon them by these presents, we authorize the Company henceforth, and during the whole term of their lease as determined by clauses 1 and 3 of the preceding article, to levy and receive for the passage through the Canals and ports thereunto appertaining tolls and charges for navigation, pilotage, towage, tracking, or berthing dues according to tariffs which they shall be at liberty to modify at all times upon the following express conditions :—

1st. That these dues be collected without exception or favour from all ships, under like conditions.

2nd. That the tariffs be published three months before they come into force, in the capitals and principal commercial ports of all nations whom it may concern.

3rd. That for the special right of passage through the Canal, the maximum toll shall not exceed ten francs per ton of capacity on vessels and per head of passenger.

(Abstract from the Act of Concession dated 5th January, 1856.)

Art. 1. Before entering the Canal captains of ships shall bind themselves on receiving a copy of the present regulations to abide by and conform themselves in all points to all required arrangements made in view of the execution of these regulations.

Art. 2. The Suez Canal having a depth of eight metres (26 ft. 3 in. English) throughout its entire length, is open to ships of all nationalities, provided that their draft of water does not exceed seven metres and a half (24 ft.

7 in. English), and that they conform to the following conditions :—

Sailing vessels above fifty tons are bound to be towed through. Steam vessels may pass through the Canal by means of their own steam power, or be towed subject to the conditions hereafter noted.*

The maximum rate of all ships passing through the Canal is fixed at 10 kilometres, equal to $5\frac{1}{2}$ nautical miles per hour.

Art. 4. Vessels measuring 100 tons gross and upwards must take a Company's pilot for the whole length of the Canal, who will indicate all particulars concerning the passage through.

The captain is held responsible for all groundings and accidents of whatsoever kind, resulting from the management and manœuvring of his ship.

Pilots place at the disposal of captains of vessels their experience and practical knowledge of the Canal ; but as they cannot be specially acquainted with the defects or peculiarities of a steamer and her machinery, in stopping, steering, &c., the responsibility, as regards the management of the ship, devolves entirely upon the captain.

Art. 5. Whenever a ship intending to proceed through the Canal shall have dropped anchor either at Port Said or Suez, the Captain must enter his ship at the Transit Office and pay all dues for passage, as also for pilotage, towage, and stoppage, when such be the case, obtaining a receipt for the same, which will serve as justification whenever required.

* Of course, the towage of steamers through the Canal is not compulsory on the Company ; it will only be performed inasmuch as they have unengaged tugboats.

The following written information to be handed in by the captain :—

Name and nationality of the ship.

Names of the captain.

Names of the owners and charterers.

Port of sailing.

Port of destination.

Draft of water.

Number of passengers as shown by the shipping list.

Statement of crew as shown by the muster roll and its schedules.

Tonnage of the ship in accordance with the legal measurement as by official certificate of registry.

Art. 6. The Company determine the hour of departure of each ship and her subsequent stoppages at sidings, in order to give full security for the navigation as well as to insure as much as possible the rapid passage of mail steamers.

Therefore no ship can require as a right an immediate passage through the Canal, neither will any claim be admitted in connexion with any delay originating from the foregoing causes.

Art. 7. In order to form trains of ships, the captain having his receipt for Canal dues will be furnished with a numbered ticket, and on receiving the pilot on board will take up the position thereby assigned to him.

Art. 8. All ships on entering the Canal are to be prepared by bracing their yards forward, running in their flying jib and jib-booms, and swinging their boats in board.

In addition to their two bow anchors, they must carry at the stern ready for letting go at the request of the pilot a kedge with a stout hawser bent on sufficient to hold the ship.

Art. 9.—§ 1. During a ship's passage through the Canal,

she must have a boat towing astern containing a hawser in readiness for being promptly taken to any mooring-post on either side of the Canal.

§ 2. The captain is required to establish a watch both by day and night ; the men to be in readiness to ease away or cut hawsers as may be required.

§ 3. Navigation by night time is only authorized under exceptional circumstances and under the captain's full responsibility assumed in writing as far as any delay, mishap and damages that may happen to his own ship are concerned, as well as such aforesaid occurrences he might cause to other ships in transit, or to the Company's craft and stock to be found in the Canal.*

While navigating by night time under the above authorized conditions, ships must carry their usual lights and a man on the look-out forward.

Ships moored during night time must show a plain light forward and another aft with the usual look-out.

§ 4. All steamers, including tugs, must blow their steam-whistles when approaching the curves of the Canal, also when passing in either direction boats or lighters, dredges, or anything else afloat. They must stop when the Canal appears not to be clear, and they shall also pass all sidings, vessels made fast or under weigh, mud hoppers, dredging machines, and all other craft, at a reduced speed.

§ 5. Whenever a collision appears probable no ship must hesitate to take the ground and thus avoid the collision. The expenses consequent upon grounding under these circumstances shall be defrayed by the ship in fault.

§ 6. When two vessels proceeding in an opposite direction are in sight of each other, they must both decrease their

* Navigation by night time and by foggy weather in the Bitter Lakes is also but exceptionally authorized and under the same conditions.

speed, and hug the starboard shore, or stop, if so required by the pilot.

§ 7. Ships proceeding in the same direction are not allowed to pass each other in the Canal.

This move, when necessary, can only be effected at the sidings, under the immediate management of the Canal Company's employés.

Art. 10. When circumstances arise that oblige a ship to stop during her passage through the Canal, and when a siding is not at hand, which must always be reached if possible, the captain must make fast ahead and astern to the weather bank, showing the proper signal by day, and two lights by night, forward and aft, as already mentioned.

In the event of grounding, the agents of the Company shall have the right to establish all the means by which a vessel is to be floated off again, to discharge and tow the vessel as may be necessary, at her expense, unless it be regularly proved that there was an insufficient depth of water in the Canal, or that erroneous directions given by the pilot were the cause of the grounding.

The aforesaid costs of floating, towing, discharging, and reloading, &c., must be paid according to the account or estimate of the Company, before the departure of the ship from Port Said or Suez.

Art. 11. The following prohibitions are hereby notified :

§ 1. The overloading of the deck, before entering the Canal, with coals or other merchandize, to such an extent as to compromise the general stability of the vessel.

§ 2. The anchoring of a ship in the Canal, except through unavoidable circumstances, and then only with the consent of the pilot.

§ 3. Throwing into the Canal earth, ashes, cinders, or material of any kind.

§ 4. In the event of any material of whatever kind falling

overboard, the circumstances are to be immediately made known to the pilot, who is instructed to submit such information to the Company's agent at the nearest station.

§ 5. Captains are prohibited from picking up anything that may have fallen into the Canal without the direct intervention of the Company's agents.

§ 6. The recovery of all material that has fallen into the Canal, whatever may be the attendant circumstances, shall be carried out at the expense of the captain, to whom such material will be restored when the aforesaid expenses are paid thereon.

§ 7. It is expressly forbidden, and on penalty of legal proceedings, to the masters of ships while in the Canal, or in the ports or sidings thereunto appertaining, to allow shots being fired from board ship.

Art. 12.—1. On and after the 1st July, 1872, the Suez Maritime Canal Company will levy the special toll of navigation of 10 francs per ton upon the real capacity of ships.

2. The gross tonnage (or *tonnage brut*) inscribed upon the certificate of registry belonging to ships measured according to the English method actually in use will be the basis of such charge.

3. Vessels of all nations whose papers do not establish by the above method their gross tonnage will be reduced to it in accordance with the annexed table. (*See p. 332.*)

4. Vessels without official documents, or possessing but incomplete documents, shall be measured by the Company's agents according to the method actually in use in England for the measurement of loaded ships.

5. All covered-in spaces, whether permanent or temporary, that are not comprised in the official tonnage of the ship shall be measured by the Company's agents according

to the actual method in England.—The tonnage thus obtained will be also submitted to the foregoing tax.

6. Men-of-war and Government vessels will be treated, as regards the collection of the dues, in conformity with the regulations applied to merchant vessels.

The charge of ten francs per passenger above twelve years of age, and of five francs per passenger from three to twelve years old, as well as the transit dues, must be prepaid on entering the Canal at Port Said or Suez.

The berthing or anchorage dues at Port Said, Ismailia, and opposite the Suez embankments are fixed at 0 fr. 02 centimes per day per ton after a stay of 24 hours, and for an unlimited time, the berth of the ship being assigned to her by the harbour-master. The amount will be collected every tenth day.

Errors in the declaration of tonnage or in the payment of the dues must be rectified within a month after the ship's passage through the Canal. After the above delay rectifications will not be admitted. No application of the tariff can be subsequently brought forward as a precedent against the charges of the Company.

N.B.—While adopting the foregoing method as a basis for the levying of tonnage dues, the Suez Maritime Canal Company do not renounce for the future the application of any other new system of tonnage measurement which may offer superior advantages of precision as compared with the actual method now in force.

Art. 13. The charges made by the Company for towage are as follows :—

For sailing vessels measuring 400 tons and under, 1200 fr.; for sailing vessels measuring above 400 tons, 1200 fr. for the first 400 tons and $2\frac{1}{2}$ fr. for every surplus ton.

For steamers measuring above 400 tons, 2 fr. per ton, without any distinction, upon their whole tonnage, but on the condition that they use their propelling power, or keep it in readiness for assisting the tug.

Steamers measuring under 400 tons, also steamers not intending to give the assistance of their propelling power will pay the same as sailing vessels.

In the event of compulsory stoppage or grounding in the Canal, the agents of the Company shall have the right to employ, of their own accord, a tug to re-establish a free passage, and thus obviate the retarding of other vessels ; all charges to be defrayed by the ships thus assisted in conformity with Article 10.

The charge under the circumstances now described will be for :

A tug of the first class	1200 fr.
„ „ second class	800 fr.

Every portion of a day to be reckoned as a whole day.

Whenever a ship shall have floated off, and continues her route under tow of a tug, she must in addition defray the services of the tug according to the annexed tariff of charges.

When a ship shall require a tug to accompany her, the charge for such services will be 1200 fr. a day if a tug of the first class be employed, and 800 fr. a day for a tug of the second class. In the event of a stoppage the tug will render assistance in getting the vessel under weigh, each time that it may be necessary. If the vessel is towed any distance exceeding that of one station from another, the price for such towage may be demanded in lieu of the tariff fixed for accompanying her.

It is hereby provided that when a tug shall have accom-

panied or towed a vessel one-half of the length of the Canal, 600 fr. shall be levied for the return trip of a first class, and 400 fr. for a second class tug. Under the above circumstances, one-half only of the towage dues shall be charged. Whatever may be the distance towed, the charge leviable shall not be less than one-half of the amount payable for the entire length of the Canal ; from Ismailia to Port Said being considered one-half on one side and from Ismailia to Suez the other half, on the other side.

All ships towed must furnish their own warps.

For the towing of monitors, loaded or empty lighters and other exceptional vessels, arrangements to be made by special agreement.

Shipowners are authorized to have their vessels towed and accompanied by their own steam tugs, all responsibility connected with such acts devolving upon themselves.

Such tugs are to be approved by the Canal Company.

Ships towed or accompanied by tugs belonging to their owners will pay 0 fr. 50 cent. (fifty centimes) per ton as towage dues.

Such tugs whenever they shall tow or accompany vessels belonging to their own proper owners will be free of any tax whatever.

Whenever they shall go through the Canal for the purpose of meeting vessels of their owners which they are entitled to tow or accompany, or otherwise returning to their usual residence after having towed or accompanied them through, said tugs shall not be submitted to the special dues of navigation, but they will be obliged to pay pilotage dues and to take a pilot on board.

Tugs in question are subject to berthing dues.

Any transport of goods or passengers is prohibited to them ; the fact of having on board passengers or goods

would entail upon them the payment of all dues and charges to which are submitted ships in transit.

Whenever said tugs shall be used for towing or accompanying vessels not belonging to their own proper owners, the same dues and charges shall be levied on them as on ships in transit.

Besides the special treatment specified by the present article, tugs belonging to private owners shall be submitted to the strict observance of the present regulations concerning vessels berthing or in transit.

Art. 14. The pilotage charges are levied according to draft of water and are as follows:—

All ships whose draft of water is 3 metres, 5 fr. for each decimetre.

Per decimetre.

All ships drawing from 3 m. to 4 m. 50 — 10 fr.

" " 4 " 50 to 6 — 15 "

" " 6 " — to 7.50 — 20 "

Pilotage charges for entering the port of Port Said and leaving the same are fixed as follows:—

Pilotage by day-time . . .	{	steamers . . . 25 fr.
	{	sailing ships . 10 "

Pilotage by night-time, before sunrise and after sunset	{	steamers . . . 50 "
	{	sailing ships . 20 "

The payment of the pilotage charge for entering the port of Port Said and leaving the same is compulsory on every ship measuring 100 tons gross and upwards.

Ships entering the port of Port Said or leaving the same by day-time, either intending to proceed through the Canal or having performed the passage, are free from such charge: they are only bound to pay the pilotage dues stipulated for the passage of the Canal.

The charge for pilotage by night-time on entering the port of Port Said or leaving the same is fixed as follows for ships performing the passage of the Canal :

Steamers	25 fr.
Sailing ships	10 „

Twenty francs per day is levied for pilots kept on board in case of stoppage.*

Art. 15. The Company receive at their Offices in Paris payments in advance on account of transit and any other dues specified in the present regulations either from the shipowners direct, or through the medium of agents employed by the shipowners at their own risk and responsibility.

The Administration in Paris will give, on receiving such amounts in deposit, *acknowledgments for the same*, which can be handed over as cash to the Company's agents in Egypt authorized to collect the dues.

The Company's agents authorized to collect the dues in Egypt, are moreover empowered *with respect to ships whose owners have made the above payments for transit in advance in Paris at the Company's office*, to accept the captain's draft at sight on the owners for any balance that may be due for pilotage and other charges.

In the event of payments in advance not being effected in time to remit *receipts* to the captains, the Company will make known, by telegraph, the amounts paid to their agents in Egypt. The cost of the telegrams to be defrayed by the shipowners.

* In the pilotage charges are included remuneration for maintenance of beacons, sidings, telegraphy, watchmen, signals and other means established by the Company to insure, in every way, the safety and good navigation of ships.

This last clause is equally applicable to payments in advance made in Paris for dues of ships coming from beyond or eastwards of Suez.

Paris, March 31st, 1872.

(Signed)

FERD. DE LESSEPS,

President-Director.

Provisionally and until further orders, ships, barges, lighters, and other craft, either coming in ballast or empty from Port Said under orders for Ismailia, or returning from Ismailia to Port Said with cargoes of native produce ; or bringing from Port Said to Ismailia cargoes bound to districts of Lower Egypt next to the Canal, and returning empty or in ballast from Ismailia to Port Said, will be free, either outward or homeward bound, whether they be empty or in ballast, of the special dues of navigation, and will only be submitted to the payment of five francs per ton representing the special dues of navigation of half-way in the Canal for their passage when loaded outward or homeward bound.

Such toll is to be prepaid when said ships, barges, lighters, or other craft enter the Canal in ballast or empty to go and take cargo of native produce at Ismailia as well as when loaded.

As regards dues or charges other than the special dues of navigation (viz., berthing, pilotage, towage dues, &c.), said ships, barges, lighters or other craft are bound to pay them in full.

EXTRACT FROM THE MERCHANT
SHIPPING ACT.

A. Table of division for the measurement of transverse areas.

Class 1. Ships of which the tonnage deck is 50 feet long or under, into 4 equal parts.

Class 5. Ships of which the tonnage deck is above 50 feet long and not exceeding 120, into 6 equal parts.

Class 3. Ships of which the tonnage deck is above 120 feet long and not exceeding 180, into 8 equal parts.

Class 4. Ships of which the tonnage deck is above 180 feet long and not exceeding 225, into 10 equal parts.

Class 5. Ships of which the tonnage deck is above 225 feet long, into 12 equal parts.

B. Measurement of closed-in spaces.

If there be a break or poop, or any other permanently closed-in space on the upper deck, available for cargo or stores or for the berthing or accommodation of passengers or crew, the tonnage of such space shall be ascertained as follows : measure the internal mean length of such space in feet, and divide it into two equal parts ; measure at the middle of its height, three inside breadths—viz., one at each end, and the other at the middle of the length ; then to the sum of the end breadths add four times the middle breadth, and multiply the whole sum by one-third of the common interval between the breadths ; the product will give the mean horizontal area of such space ; then measure the mean height and multiply by it the mean horizontal area ; divide the product by one hundred, and the quotient shall be deemed to be the tonnage of such space, and shall be

added to the tonnage under the tonnage deck, ascertained as aforesaid, subject to the following provisos: first, that nothing shall be added for a closed-in space solely appropriated to the berthing of the crew, unless such space exceeds one-twentieth of the remaining tonnage of the ship; and in case of such excess, the excess only shall be added.

C. Measurement in case of two or more decks.

If the ship has a third deck, commonly called a spardeck, the tonnage of the space between it and the tonnage deck shall be ascertained as follows:—Measure in feet the inside length of the space at the middle of its height from the plank at the side of the stem to the lining on the timbers at the stern, and divide the length into the same number of equal parts into which the length of the tonnage deck is divided as above directed; measure (also at the middle of its height) the inside breadth of the space at each of the points of division, also the breadth of the stem and the breadth at the stern; number them successively 1, 2, 3, &c., commencing at the stem; multiply the second and all the other even numbered breadths by four, and the third and all the other odd numbered breadths (except the first and last) by two; to the sum of these products add the first and last breadths; multiply the whole sum by one-third of the common interval between the breadths, and the result will give in superficial feet the mean horizontal area of such space; measure the mean height of such space, and multiply by it the mean horizontal area, and the product will be the cubical contents of the space; divide this product by one hundred, and the quotient shall be deemed to be the tonnage of such space, and shall be added to the other tonnage of the ship ascertained as aforesaid.

D. Additional measurement for ships having more than three decks.

The tonnage deck is always the second deck from the hold.

If a ship has more than three decks, the tonnage of each space between decks above the tonnage deck shall be severally ascertained in manner above described, and shall be added to the tonnage of the ship ascertained as before.

E. Measurement for ships not requiring registry with cargo on board.

Measure the length on the upper deck from the outside of the outer plank at the stem to the aftside of the stern post, deducting therefrom the distance between the aftside of the stern post and the rabbet of the stern post at the point where the counter plank crosses it; measure also the greatest breadth of the ship to the outside of the outer planking or wales, and then, having first marked on the outside of the ship on both sides thereof, the height of the upper deck at the ship's sides, girt the ship at the greatest breadth in a direction perpendicular to the keel from the height so marked on the outside of the ship, on the one side, to the height so marked on the other side by passing a chain under the keel; to half the girth thus taken add half the main breadth; square the sum; multiply the result by the length of the ship taken as aforesaid; then multiply this product by the factor 0.0017 (seventeen ten-thousandths) in the case of ships built of wood, and by 0.0018 (eighteen ten-thousandths) in the case of ships built of iron, and the product shall be deemed the register tonnage of the ship subject to the additions and deductions hereinafter mentioned.

If there be a break, a poop, or other closed-in space on the upper deck, the tonnage of such space shall be ascertained by multiplying together the mean length, breadth, and depth of such space, and dividing the product by one hundred, and the quotient so obtained shall be deemed to be the tonnage of such space, and shall, subject to the deduction for a closed-in space appropriated to the crew, be added to the tonnage of the ship ascertained as aforesaid.

F. Measurement of open ships.

Art. 24. Rule IV. In ascertaining the tonnage of open ships, the upper edge of the upper strake is to form the boundary line of measurement, and the depth shall be taken from an athwartship line extended from upper edge to upper edge of the said strake at each division of the length.

CONSULAR AND COMMERCIAL AFFAIRS DEPARTMENT.

Proportion between the English Register Ton and the Measurements adopted in other Countries for the Tonnage of Ships.

(Conversion Table at present employed by the European Commission
of the Danube.)

Factor by which the Unit of all Tonnage must be multiplied to convert same into English Tons.

NATIONALITIES.							TONS.	LASTS.
Austro-Hungarian	...	...	...	...	...	...	1.00	"
French	...	...	...	...	...	...	1.00*	"
Italian	...	...	...	...	...	...	0.94	"
Ottoman, an English ton—	61 $\frac{4}{10}$ kilogs of Constantinople						...	"
Prussian	...	...	...	...	...	...	0.98	1.50
Russian	...	...	...	...	...	...	1.08	1.89
United States of America	...	...	...	...	...	...	1.00	"
Belgian	...	...	...	...	...	...	0.95	1.81
Bremen	...	...	...	...	...	...	"	4.89
Danish	...	...	...	...	...	...	1.00	"
Spanish	...	...	...	...	...	...	1.00	"
Greek	{	New measurement	...	...	...	...	0.97	"
		Old	...	...	...	...	0.78	"
Hamburg	...	...	...	...	...	...	"	2.77
Hanoverian	...	...	...	...	...	...	0.98	2.25
Dutch	...	...	...	...	...	...	0.89	1.75
Lubeck	...	...	...	...	...	...	"	1.89
Mecklenburg	...	...	...	...	...	...	1.09	2.44
Norwegian	...	...	...	...	...	...	0.98	2.08
Oldenburg	...	...	...	...	...	...	0.96	1.50
United Principalities, 1 English ton—	{ 4 $\frac{1}{10}$ kil. of Galatz } { 3 $\frac{1}{10}$ kil. of Braila }						0.97	"
Samiote	...	...	...	...	...	...	0.78	"
Serbian	...	...	...	...	...	...	0.97	"
Swedish	...	...	...	...	...	...	1.02	1.98

Paris, April 12th, 1872.

A true copy :

(Signed) MEURAND,

Director of Consulates and Commercial Affairs.

N.B.—After the register tonnage, when obtained by other

* By a decree published in the *Journal Officiel*, of the 28th De-

methods, shall have been so increased as to give the gross tonnage, the above table will serve to reduce it to English tonnage.

MODE OF LEVYING

THE DUES ENFORCED UPON THE COMPANY ON THE 29TH OF APRIL, 1874, AND AGAINST WHICH M. DE LESSEPS HAS PROTESTED ON THE 26TH OF THE SAID MONTH.

Ships measured by the Moorsom System.

1. Besides the toll of 10 francs a surtax of 4 francs shall be levied on each net register ton of ships, the deductions referring to the engines of which have been ascertained in conformity with § (A) of Clause XXIII., defining Rule III. of the English Act of 1854.

2. This surtax shall be reduced to 3 francs for every ship that shall have inscribed on her papers or on their schedules the net tonnage resulting from the method of measurement recommended by the International Commission, which shall form the basis on which to levy the toll and the surtax.

3. It is understood that ships which are already measured according to the alternative laid down by the Commission, and especially by § (B) of the aforesaid clause of the English Act of 1854, shall only have to pay, from the present time, the surtax of 3 francs per net register ton, provided that the deductions for machinery and fuel do not exceed 50 per cent. of the gross tonnage.

cember, 1872, the English mode of measurement of tonnage is compulsory on French ships from and after the 1st of June, 1873.

Ships measured by a System other than that of Moorsom.

4. The gross tonnage of ships that are not measured by the Moorsom system shall be reduced to the tonnage of such system by the application of the Lower Danube scale of factors, and their net tonnage shall be ascertained by § (A) of Clause XXIII. above mentioned. Such ships are to pay, besides the toll of ten francs, a surtax of 4 francs per ton of said net tonnage.

Provision common to all Vessels.

5. The surtax of 3 francs per net register ton shall gradually be reduced in the proportions hereafter specified, according to the development of the net tonnage of vessels passing annually through the Canal, and in such manner that at last the maximum tax of 10 francs per ton only, of the net tonnage stated on the ship's papers, shall be levied so soon as the tonnage shall in one year amount to 2,600,000 net register tons.

The decrease of the surtax shall be effected in the following proportions :—

As soon as the net tonnage shall have reached the figure of 2,100,000 tons in one year, during the year following the Company shall only levy a surtax of $2\frac{1}{2}$ francs per ton.

From the year following that in which the net tonnage shall have risen to 2,200,000 tons, the surtax shall be only 2 francs per ton, and in like manner every additional 100,000 tons per annum cause a reduction in the surtax of 0.50 centimes per ton for the year following, so that by the time the net tonnage shall have reached 2,600,000 tons in one year the surtax shall cease altogether, and the tax will no longer exceed the maximum of 10 francs per net register ton.

It is clearly understood :

1. That in the event of the increase of net tonnage during one year exceeding 100,000 tons, the surtax shall decrease during the following year by as many times 0.50 centimes per ton as there shall be of 100,000 tons of excess.
 2. When once the surtax has been decreased or abolished, in accordance with the conditions just stated, no increase or re-imposition can again be made, even though the tonnage in transit should again fall off.
 3. The year mentioned above is to commence from the 1st January (new style).
 4. Ships of war, vessels built or chartered for the transport of troops, and vessels in ballast, shall be exempt from all surtax ; they shall not be liable to a tax greater than the maximum of 10 francs per ton, which shall be levied on their net register tonnage.
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6. The following will be interesting as showing how a vessel is taken through the Canal :—

"Audacious, Suez, December 4th, 1874.

"I have the honour," writes Admiral Ryder, "to report to the Admiralty that her Majesty's ship *Audacious* arrived at Port Said on Sunday, the 29th November, and entered the Suez Canal on the following morning. She arrived at Suez yesterday morning ; having been seventy-five hours on the passage through the Canal, but only forty-two under weigh. On arrival at Port Said the *Audacious* was drawing 23 feet of water aft and 22 feet forward (mean 22 feet 6 inches). The *Iron Duke*, our sister ship, when she arrived, was drawing 22 feet 6 inches aft and 19 feet 6 inches forward, but trimmed to 21 feet 8 inches aft and 20 feet 4 inches forward

(mean 21 feet). We expected to have to trim and bring the vessel on an even keel, or nearly so, but were informed that this was specially objected to, as making it more difficult to get vessels off when they ran into the bank. We engaged the services of the Company's most powerful tug, and had the *Prompt* in attendance also astern. The most experienced pilot (Potomatus), who conducts all the troop-ships through, was secured for us by Captain Willoughby. Various methods are adopted by vessels passing through, and we tried several. The *Iron Duke* had a tug ahead, the transport despatch vessel *Prompt* always paddling astern, and did not use her own engines. We tried this plan first, and were run ashore, and had to lay out hawsers. The only difference between us and the *Iron Duke* was that we drew about 1 foot 6 inches more water, although we entered the Canal with only 60 tons of coal, just enough to carry us through and allow a margin for accidents, and we had a balanced rudder. Tug ahead, but using our own screws, the *Prompt* paddling astern. Did not ground so as entirely to lose way, but frequently cannoned from side to side, the vessel heeling over two or three degrees. Our own screws only, casting off both the tug and the *Prompt*. We adopted this plan after half the Canal had been passed through, and went steadily through the worst parts of the Canal without touching either side--viz., for thirty miles, on the third day, but took a sheer at the last, which ran us into the bank, so that she 'slewed' forward 2 feet. I have no hesitation in saying, as the result of our experience, that the *Audacious*, a twin screw ship with a balanced rudder, eminently calculated, therefore, for close accurate steering, will best go through the Canal entirely dependent upon her own resources. Whether, as a matter of prudence the tug or the despatch vessel *Prompt*, or both, should be in attendance, in case of collision owing

to the bad steering of another vessel, is a matter for consideration. The expense of the tug in our case was 198*l*. I may here mention that the most serious accident that has happened to any one of her Majesty's troop-ships (the *Scrapis*) arose from her being towed ; the tug broke down without warning in the worst part of the Canal—the entrance of the Little Bitter Lake, where there is no ditch, but the ground slopes gradually up from the maximum depth—and the *Scrapis*, to prevent her running over the tug, was wisely run ashore by Captain Grant, but she had to cut up her decks and remove 800 tons of weight, viz., 500 tons of coal and 300 tons of stores before she could be got off. The captains of the troop-ships, when asked their opinion, some time since, were divided, four being in favour of the tug ahead and four against ; but now, the whole of them have given up being towed. The *Prompt*, or her sister despatch vessel, is always in company. Our pilot suggested, and I consented to, our having no tug ahead or astern, and as soon as we cast them off the cannoning ceased. We had touched probably fifty times during the first half of the Canal. The cannoning from side to side, if it occurs frequently, is likely to injure the copper or zinc, and delays the vessel very much, as the engines have often to be stopped at the time. There is the risk also of the bilge keels (as has occurred in the troop-ships) lifting large masses of earth. One of these vessels, when suddenly released by the earth falling off, was set rolling through large angles (14 degrees) sufficient to give entrance to water through the lower scuttles. Moreover, a more than usually oblique cannon, arising from the bottom of the Canal, being a little wider than usual, might run the forefoot into the bank, and necessitate hawsers and anchors to extricate her, and, if it takes place in the lake, perhaps some days' delay, lighters to be sent for to lighten her. We experienced

some delay from 'garing,' hauling into a siding to allow other vessels to pass in the opposite direction, which is ordered by signal from the stations. The being shunted in this way will become more and more frequent as the commerce increases, and before long a great portion of the time passed in the Canal will be in the shuntings. Several of the 'gares' only hold three large vessels, and very little room is left to pass, as the bottoms of the 'gares' appear, in some places, to be shoaler than the ditch, and we could not haul close in owing to our great beam. Collisions can only occur when a vessel is passing a 'gare' with a ship or ships in it. A wild vessel, not under proper control, and that is cannoning from side to side, may cannon into the 'gare,' and finding no bank to cannon off, will strike instead the vessel in the 'gare.' Fenders are the only precaution that the vessels in the 'gare' can take ('gared' vessels have been cut down to the water's edge); but the wild ship can control herself by adopting a practice which all the ships of a Dutch company have adopted with success; they drag through the Canal out of their hawseholes, two lengths of bower chains, which drag chains prevent them from swerving. The bottom is all sand or marl, and there is nothing to catch or injure the chain. We intended to try this if we had not found that the vessel was almost perfectly manageable when the tugs were cast off. Instances have occurred in the case of very wild vessels of their having to be warped past a 'gare,' after several attempts to steam past with safety to the 'gared' vessels.

Wind.—The wind aft we found mischievous, as increasing the tendency to swerve. *Tide.*—There is a tide in the last few miles near to Suez, running four knots sometimes. It is most prudent to have it against you. Signals are made from the stations as to the direction and rate of the tide.

Currents.—The tendency to cannon rapidly and wildly,

developed at times, is attributed by Captain Willoughby and the pilot to under-currents after southerly winds. We could not test this. The effect of the large mass of the ship moving through a narrow trough or ditch is, of course, to leave a hole in the water behind, which the near water rushing in to fill up causes the water alongside to flow aft, and the water abaft to rush forward as a following wave ; but the hull also drives a wave forward. This altered the draught, when we are going at about 4 knots, from 23 feet aft to 23 feet 6 inches, and forward from 22 feet to 22 feet 3 inches.

“Counter-currents and eddies are formed in different directions, very injurious to steady steering, and there is a risk to boats and small vessels attempting to pass a ship in motion in the Canal, as they are sucked towards her. The same action has a tendency to suck vessels out of the ‘gare’ when a large ship is passing, and hawsers are often carried away. The frequent posts placed for the purpose of securing hawsers to are invaluable ; we never had to lay out an anchor, although of course, a kedge was hanging over the stern, nor had we to make a shore anchor with a spar. Two cutters with hawsers in them were kept towing alongside. At short intervals there are spar buoys secured by chains to the shore and by an iron weight to the edge of the ditch.

“These disappeared just before the beam as we passed, sucked under by the current caused by so large a body in motion. We have reason to believe that only one was broken by us. We anticipated great risk to our screws owing to their projection, but we have no reason to suppose they ever touched the bank. The pilot learned after a little time how to manage the ships capitally by their aid and the balanced rudder.

"Recommendations.

"At the place where we struck on the third day—viz., at 78 $\frac{4}{10}$ miles from Port Said, the shelves on the bank under water have never been smoothed off, and the Canal authorities decline to finish the work since the decision of the International Committee. Vessels frequently ground here, so we were informed by Captain Willoughby and the pilot. As the depth in the ditch is the same as elsewhere it is difficult to see why this should be.

"I think it probable that the vessels are made wild by the action of the water pouring down the steps instead of quietly subsiding as it does when the bank is properly finished. This more rapid stream strikes impulsively against the quarter and most forcibly on the side to which the ship is nearest, thus twisting her round. The authorities of the Canal should be pressed to dredge off these shoulders, or 'benches' as they are called. At first sight, it might appear advisable that the Canal should be widened, but I am convinced that it would be a misfortune, as wild vessels that now cannon harmlessly from bank to bank of the ditch, which is only 72 feet across, would then, instead of cannoning, dig their stems in and stick, perhaps for hours. There should be a 'gare' cut out opposite to each of the existing 'gares,' and kept empty, so as to allow vessels to pass without risk, and, if not feasible, the 'gares' should be widened, if possible, and kept at the same depth as the ditch, so that the 'gared' vessels would be more out of harm's way, and, as the commerce increases, the 'gares' will probably have to be lengthened, so as to take in more vessels at the same time. If a second Canal is made, it should be, as nearly as possible, the same width, and be 'gared' in the same way. This would be a solution of the problem 'how to provide for a very largely increased

traffic,' and as a provision in case of a serious stoppage. There should be a passage (locks) from one Canal to the other at intervals. The expense of a second Canal would of course be much less than the first.

"The troop-ships pass with great success, drawing 22 feet aft, and 17 feet forward (5 feet by the stern). I believe this considerable difference of draught is one of the reasons, if they touch, why they do not stick. Vessels of considerable draught will naturally be taken into the Canal drawing as little as possible, but I am of opinion it is quite open to question whether weights might not be judiciously added abaft to give the draught there a considerable preponderance, provided that, say 23 feet, is not much exceeded; but a vessel drawing 24 feet 6 inches lately passed through—with great difficulty, however. It must be remembered that, as the transit charge on coal is 17s. a ton, vessels rarely take in coal at Suez, and very little is kept there. Vessels coming from the Mediterranean should, therefore, write or telegraph to the contractor at Port Said how much coal they will want at Suez, or they may be disappointed when they get there.

"A. P. RYDER."

I. ORDINARY SHARES.

FRONT.

COMPAGNIE UNIVERSELLE	
DU	
CANAL MARITIME DE SUEZ	
CAPITAL : DEUX CENTS MILLIONS DE FRANCS	
ACTION DE CINQ CENTS FRANCS AU PORTEUR	
CHAQUE ACTION DONNE DROIT :	
1 A la propriété d'un quatre cent millièmè de l'actif social ;	
2 A un intérêt annuel de 5 p. % payable par semestre, le 1 janvier et le 1 juillet de chaque année ;	
3 A un dividende annuel, payable le 1 juillet.	
Un Administrateur—EMILE GUILLAUME. Un Administrateur—V. DELAMALLE.	

Compagnie du Canal	Quatre-vingt-quinze Coupon.	Maritime de Suez.
	No.	
	Echéant le 1 juillet 1906.	

Compagnie du Canal	Quatre-vingt-quatorze Coupon.	Maritime de Suez.
	No.	
	Echéant le 1 janvier 1904.	

Compagnie du Canal	Quatre-vingt-treize Coupon.	Maritime de Suez.
	No.	
	Echéant le 1 juillet 1905.	

BACK.

[Extract of Bye-laws in Turkish. Also in French and German.]

SUEZ MARITIME CANAL UNIVERSAL COMPANY

CAPITAL: 200,000,000 FRANCS. Share of 500 Francs to Bearer.

EVERY SHARE GIVES A RIGHT:

1. To the four hundredth-thousandth part of the joint property ;—2. To an annual interest of 5 per cent., payable every six months, viz. : on the 1st of January and the 1st of July ;—3. To an annual dividend, payable on the 1st of July.

EXTRACTS OF THE BY-LAWS.

The shares shall be signed by two directors or by one director and a delegate, and impressed with the stamp of the Company.—The shares are undividable. The Company recognises but one owner to each share.—The possession of a share implies adhesion to the by-laws of the Company and to the resolutions adopted by the general meeting of shareholders.—The shares shall be redeemed at par in 99 years and paid off by annual lottery.—The Shares redeemed remain entitled to the dividends.

II. FOUNDERS' SHARES.

FRONT.

Compagnie Universelle du Canal Maritime de Suez.	
PART DE FONDATEUR No. _____	TITRE AU PORTEUR.
<p style="text-align: center;"><i>Extrait des Statuts.</i></p> <p>Le présent Titre donne droit :</p> <p>A une part d'un millième dans les 10 p. %, attribués aux Fondateurs sur les Produits nets ou Bénéfices de l'Entreprise.</p> <p style="text-align: center;">(Articles 63 et 70 des Statuts.)</p> <p><i>Le Président-Directeur,</i> FERD. DE LASSERES.</p>	<p style="text-align: center;"><i>Extrait des Décisions du Conseil d'Administration.</i></p> <p>Le Conseil d'Administration de la Compagnie, Vu l'article 19 de l'Acte de concession et l'article 70 des Statuts, &c.</p> <p style="text-align: right;"><i>L'un des Vice-Présidents,</i> D'ALBUQUERA.</p>

On back 90 spaces for Dividendes payés.

III. LOAN OF 1867 (OBLIGATIONS).

FRONT.

Compagnie Universelle du Canal Maritime de Suez.	
EMPRUNT DE CENT MILLIONS	
Autorisé par l'Assemblée générale des Actionnaires du 1 août 1867.	
GARANTI	
Par la propriété du Canal maritime de Suez et de tout son matériel, par les revenus généraux de l'entreprise, par la valeur et le produit des terrains de la Compagnie.	
OBLIGATION DE CINQ CENTS FRANCS AU PORTEUR	
No. _____	
<p>LE PORTEUR A DROIT :</p> <p>1° A un intérêt semestriel de 12 fr. 50 c. payable les 1 avril et 1 octobre de chaque année.</p> <p>2° Au remboursement du capital de 500 francs par voie de tirages trimestriels, d'après le tableau d'amortissement d'autre part. Le tirage au sort s'opérera par série de 100 Obligations ou par fraction de série.</p>	
<i>Un Administrateur,</i>	<i>Un Administrateur,</i>

CANAL MARITIME DE SUEZ.

Obligation No.

Coupon de 12 fr. 50 c. échéant le 1 octobre 1892.

BACK.

TABLEAU D'AMORTISSEMENT.

Des 333,333 Obligations émises par la Compagnie universelle du Canal Maritime de Suez, le 26 septembre 1867, en exécution de la décision de l'Assemblée générale des Actionnaires du 1 août 1867

Epoques du Remboursement.	Nombre d'obligations à amortir.	D ^{rs}	Epoques du Remboursement jusqu' à	Nombre d'obligations à amortir.
1868 1 octobre... ..	385		1918 1 janvier	4-333
1869 1 janvier	385	}	1918 1 avril	4-443
1869 1 avril	395		1918 1 juillet	4-444
1869 1 juillet	395			
1869 1 octobre... ..	405		TOTAL	333-333

IV. LOAN OF 1871 (BONS TRENTENAIRES).

FRONT.

COMPAGNIE UNIVERSELLE
DU
CANAL MARITIME DE SUEZ

Délibération de l'Assemblée générale du 24 août 1871.

EMISSION DE 300,000 BONS DE 125 FRANCS
REMBOURSABLES EN TRENTE ANS, PAR VOIE DE TIRAGES AU SORT ANNUELS
Conformément au Tableau d'amortissement dressé d'autre part.

LE PREMIER REMBOURSEMENT AURA LIEU LE 1 SEPTEMBRE 1873.

Les tirages s'opéreront par série de 100 Bons ou fractions de série.

BON DE CENT VINGT-CINQ FRANCS AU PORTEUR.

No. _____

Le Porteur a droit à un Intérêt semestriel de QUATRE francs payable le 1 Mars et le 1 Septembre de chaque année.

Un Administrateur—EMILE GUILLAUME. Un Administrateur—V. DELAMALLE.

CANAL MARITIME DE SUEZ.

BON No.

Coupon de 4 fr. 25 échéant le 1 septembre 1897.

BACK.

TABLEAU D'AMORTISSEMENT

Des 300,000 Bons Trentenaires émis par la Compagnie Universelle du Canal Maritime de Suez, le 9 septembre 1871, en exécution de la décision de l'Assemblée générale des Actionnaires du 24 août 1871.

Epoques de Remboursement.	Nombre de bons à amortir.	Epoques de Remboursement.	Nombre de bons à amortir.	Epoques de Remboursement.	Nombre de bons à amortir.
1873 1 septembre.	2,537	<i>Report ...</i>	38,803	<i>Report ...</i>	106,243
1874 —	2,700	1884 1 septembre.	5,021	1894 1 septembre.	9,337
1875 —	2,873	1885 —	5,343	1895 —	9,935
1876 —	3,057	1886 —	5,684	1896 —	10,571
1877 —	3,253	1887 —	6,049	1897 —	11,247
1878 —	3,460	1888 —	6,435	1898 —	11,967
1879 —	3,682	1889 —	6,847	1899 —	12,733
1880 —	3,948	1890 —	7,286	1900 —	13,548
1881 —	4,169	1891 —	7,751	1901 —	14,419
1882 —	4,435	1892 —	8,248	" "	"
1883 —	4,719	1893 —	8,776	" "	"
<i>A reporter ...</i>	38,803	<i>A reporter ...</i>	106,243	<i>TOTAL ...</i>	300,000

V. CONSOLIDATED ARREARS OF INTEREST.

FRONT.

COMPAGNIE UNIVERSELLE
DU
CANAL MARITIME DE SUEZ

Coupons consolidés d'intérêts arriérés d'actions

En vertu de la délibération de l'Assemblée générale du 2 Juin 1874,
il est créé 400,000 Titres de 85 Francs en représentation des Sept Coupons d'intérêts
arriérés Nos. 25, 26, 27, 28, 29, 30, 31
échus sur les 400,000 Actions du 1 Juillet 1871 au 1 Juillet 1874 inclusivement.

TITRE DE QUATRE-VINGT-CINQ-FRANCS AU PORTEUR

No. _____

Ce titre est productif d'un intérêt annuel de 4 fr. 25, payable le 15 novembre de
chaque année, sous déduction des impôts.

Il est délivré jouissance du 15 novembre 1874, et est remboursable en 40 ans, à
partir de l'année 1882, par voie de tirages au sort annuels.

Les tirages s'opéreront par série de 100 titres ou fractions de série.

L'intérêt et l'amortissement seront acquittés sur les produits disponibles après le
paiement des charges prévues aux paragraphes 1 et 2 de l'article 62 des Statuts.

Extrait de l'Article 62 des Statuts.—Les produits annuels de l'entreprise servent
d'abord à acquitter dans l'ordre ci-après :

- § I.—Les dépenses d'entretien et d'exploitation, les frais d'administration, et
généralement toutes les charges sociales ;
- § II.—L'intérêt et l'amortissement des emprunts qui peuvent avoir été con-
tractés.

Un Administrateur—L. A. NOURY.

Un Administrateur—SULLERY.

CANAL MARITIME DE SUEZ

Coupons consolidés d'intérêts arriérés d'actions.

TITRE No.

Coupon de 4 fr. 25 échéant le 15 novembre 1921.

VI. DÉLÉGATIONS.

FRONT.

COMPAGNIE UNIVERSELLE DU CANAL MARITIME DE SUEZ

DÉLÉGATION DE COUPONS D'ACTIONS

DE LA COMPAGNIE UNIVERSELLE DU CANAL MARITIME DE SUEZ

Ces Coupons, au nombre de 8,830,100, proviennent de 176,602 Actions appartenant au Gouvernement Egyptien; ils en ont été détachés et remis à ladite Compagnie en paiement de TRENTE MILLIONS de francs, suivant Conventions en dates des 23 Avril et 14 juillet 1869.

TITRE AU PORTEUR NO.

Ce titre fait partie d'une Emission de 120,000 Délégations qui ont droit pendant 25 ans aux Produits annuels afférents aux 176,602 Actions appartenant au Gouvernement Egyptien, et portant les Nos. 223,399 à 400,000, soit aux 2/5es environ des Revenus du Canal.

Il donne droit pendant 25 ans à un 120,000^e des Revenus acquis à ces 176,602 Actions.

Les Produits réalisés seront répartis comme suit, savoir :

- 1° Sous le titre d'*Intérêts*, jusqu'à concurrence de 25 francs par chaque Délégation ;
- 2° Sous le titre d'*Amortissement*, au moyen d'un remboursement à 500 francs par Délégation, calculé conformément aux usages ;
- 3° Sous le titre de *Répartition complémentaire ou de Dividende*, par le paiement de tout le surplus du Revenu acquis aux 176,602 Actions.

Ces Distributions de Produits auront lieu, par semestre, les 1 janvier and 1 juillet de chaque année, par les soins et dans le Bureaux de la Compagnie universelle du Canal maritime de Suez.

*Un Administrateur
de la Compagnie universelle du Canal
maritime de Suez*

*Un Administrateur
de la Compagnie universelle du Canal
maritime de Suez*

GULBERS.

CORBIER.

DELEGATION DE COUPONS
D'ACTIONS

DU CANAL MARITIME DE SUEZ.

No.

Coupon, Echéant le 1 juillet 1893.

DELEGATION DE COUPONS
D'ACTIONS

DU CANAL MARITIME DE SUEZ.

No.

Coupon, Echéant le 1 janvier 1894.

DELEGATION DE COUPONS
D'ACTIONS

DU CANAL MARITIME DE SUEZ.

No.

Coupon, Echéant le 1 juillet 1894.

BACK.

Au fur et à mesure des amortissements, il sera remis en échange des Titres remboursés, de nouveaux Titres de jouissance qui profiteront jusqu'à l'expiration des 25 années (1 juillet 1894) de la répartition complémentaire énoncée au paragraphe ci-dessus.

Les numéros des Titres désignés par le sort pour être remboursés seront publiés dans deux journaux de Paris, avec l'indication du jour du remboursement.

Ces Titres étant la représentation d'une négociation particulière ayant eu pour objet l'acquisition à forfait du Revenu des Coupons des 176,602 Actions du Gouvernement Egyptien, pendant les 25 années à courir du 1 juillet 1869 au 30 juin 1894, ne confèrent pas le droit d'assister aux Assemblées générales de la Compagnie universelle du Canal maritime de Suez.

Les chiffres des répartitions à faire entre les 120,000 Titres de délégation résulteront donc des Produits arrêtés et votés par les Assemblées générales des Actionnaires de la Compagnie universelle du Canal maritime de Suez, au profit des 400,000 Actions qui représentent le capital social et dont font partie les 176,602 Actions du Gouvernement Egyptien, sous la déduction toutefois des frais afférents tout spécialement aux 120,000 Délégations, tels que : impôts de timbre et de transmission et frais de distribution des Produits réalisés.

Le porteur du présent Titre se trouve par le seul fait de sa possession entièrement substitué à la Compagnie universelle du Canal maritime de Suez dans les effets de la cession des Coupons consentie directement à son profit, aux termes des conventions précitées des 25 avril et 14 juillet 1869.

THE END.

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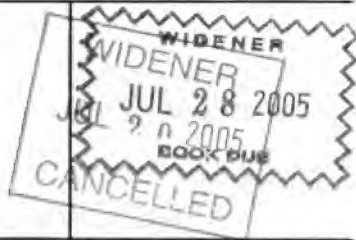
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